



**MODIFICATION #9
TO
CONTRACT NUMBER PPEA-SOA-2011-07-22-AA
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
BLOSSMAN GAS, INC.**

This Modification #9 is an agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "DGS" (Department of General Services), and Blossman Gas, Inc. hereinafter referred to as "Contractor," or "Blossman" relating to Contract PPEA-SOA-2011-07-22-AA dated October 2, 2012, as amended, hereinafter referred to as the "Contract" or "Agreement." This Modification #9 is hereby incorporated into and made an integral part of the Agreement.

The purpose of this Modification #9 is to document both parties agreement concerning: I) Modify Exhibit F entitled "Pricing for Vehicle Conversion Services" and II) Revise Terms and Conditions due to regulatory changes. All changes are effective immediately upon the final execution of this Modification #9 unless otherwise stated herein.

Reference: Exhibit F entitled "Pricing for Vehicle Conversion Services" is hereby replaced with the attached update and revised Exhibit F, attached hereto and incorporated herein. The replacement Exhibit F revise pricing based on the Gross Vehicle Weight GVW, adjust pricing for installations without tanks and adds Police Storage System.

Reference: Contract PPEA-SOA-2011-07-22-AA, Exhibit D entitled, Terms and Conditions, Subsection 9 entitled "Changes to the Contract" which allows changes to be made to the Contract by mutual agreement of both parties.

A. REVISE General Term and Condition, Paragraph 2, entitled "ANTI-DISCRIMINATION" to read:

ANTI-DISCRIMINATION: Contractor certifies to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the Virginia Public Procurement Act (VPPA). If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender sexual orientation, gender identity, or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (Code of Virginia, § 2.2-4343.1E).

In every contract over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the contractor agrees as follows:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
 - d. If the contractor employs more than five employees, the contractor shall (i) provide annual training on the contractor's sexual harassment policy to all supervisors and employees providing services in the Commonwealth, except such supervisors or employees that are required to complete sexual harassment training provided by the Department of Human Resource Management, and (ii) post the contractor's sexual harassment policy in (a) a conspicuous public place in each building located in the Commonwealth that the contractor owns or leases for business purposes and (b) the contractor's employee handbook.
 - e. The requirements of these provisions 1. and 2. are a material part of the contract. If the Contractor violates one of these provisions, the Commonwealth may terminate the affected part of this contract for breach, or at its option, the whole contract. Violation of one of these provisions may also result in debarment from State contracting regardless of whether the specific contract is terminated.
 - f. In accordance with Executive Order 61 (2017), a prohibition on discrimination by the contractor, in its employment practices, subcontracting practices, and delivery of goods or services, on the basis of race, sex, color, national origin, religion, sexual orientation, gender identity, age, political affiliation, disability, or veteran status, is hereby incorporated in this contract.
2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

- B. **ADD** General Term and Condition, Paragraph 17, entitled "VENDORS MANUAL" to read:

VENDORS MANUAL: This contract is subject to the provisions of the Commonwealth of Virginia Vendors Manual and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The process for filing a complaint about **REVISE** Paragraph A, entitled "VENDORS MANUAL" to read:

this solicitation is in section 7.13 of the Vendors Manual. (Note section 7.13 does not apply to protests of awards or formal contractual claims.) The procedure for filing contractual claims is in section 7.19 of the Vendors Manual. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.eva.virginia.gov under "I Sell To Virginia".

- C. **ADD** General Term and Condition, Paragraph 18, entitled "NON-DISCRIMINATION OF CONTRACTORS" to read:

NONDISCRIMINATION OF CONTRACTORS: Contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

- D. **ADD** General Term and Condition, Paragraph 19, entitled "CIVILITY IN STTE WORKPLACE" to read:

CIVILITY IN STATE WORKPLACES: Contractor shall take all reasonable steps to ensure that no individual, while performing work on behalf of the contractor or any subcontractor in connection with this agreement (each, a "Contract Worker"), shall engage in 1.) harassment (including sexual harassment), bullying, cyber-bullying, or threatening or violent conduct, or 2.) discriminatory behavior on the basis of race, sex, color, national origin, religious belief, sexual orientation, gender identity or expression, age, political affiliation, veteran status, or disability.

The contractor shall provide each Contract Worker with a copy of this Section and will require Contract Workers to participate in agency training on civility in the State workplace if contractor's (and any subcontractor's) regular mandatory training programs do not already encompass equivalent or greater expectations. Upon request, the contractor shall provide documentation that each Contract Worker has received such training.

For purposes of this Section, "State workplace" includes any location, permanent or temporary, where a Commonwealth employee performs any work-related duty or is representing his or her agency, as well as surrounding perimeters, parking lots, outside meeting locations, and means of travel to and from these locations. Communications are deemed to occur in a State workplace if the Contract Worker reasonably should know that the phone number, email, or other method of communication is associated with a State workplace or is associated with a person who is a State employee.

The Commonwealth of Virginia may require, at its sole discretion, the removal and replacement of any Contract Worker who the Commonwealth reasonably believes to have violated this Section.

This Section creates obligations solely on the part of the contractor. Employees or other third parties may benefit incidentally from this Section and from training materials or other communications distributed on this topic, but the Parties to this agreement intend this Section to be enforceable solely by the Commonwealth and not by employees or other third parties.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

BLOSSMAN GAS, INC.

**COMMONWEALTH OF VIRGINIA
DEPT. OF GENERAL SERVICES
OFFICE PROCUREMENT SERVICES**

By: _____



SIGNATURE

NAME: Edward Hoffman
PRINTED OR TYPED

TITLE: Gen MGR

DATE: 10/26/20

By: _____



SIGNATURE

NAME: Keith B. Gordon

TITLE: Contracting Officer

DATE: 11-2-2020

Exhibit F

Pricing for Vehicle Conversion Services

Contractor agrees to provide aftermarket vehicle conversion services for vehicles purchased by Public Bodies. Conversion kits are available from various manufacturers.

1. Aftermarket conversions will only be done on vehicles in which contractor or manufacturer of record holds EPA certifications. Converted vehicles will meet U.S. Government Standards for sale in the Commonwealth of Virginia. EPA Emissions Certification is available upon request. A listing of EPA certified vehicle conversions will be maintained and updated on Contractors or subcontractor websites:

www.allianceautogas.com

www.roushcleanteach.com

www.cleanti.telusa.com

2. Warranty: Vehicle conversions shall not impact applicable manufacturer warranties upon the vehicles. Contractor warrants that all materials and equipment related to a vehicle conversion shall be fully guaranteed against defects in material, workmanship, and operate in accordance with all original equipment manufacturer (OEM) operating standards and performance specifications for a period of three (3) years or 30,000 miles, whichever comes first, following the date the converted vehicle is received by the Public Body from the Contractor after the vehicle conversion is completed. Should any defect be noted by the Public Body, then the Public Body will notify the Contractor of such defect or non-conformance. Such notification will state that the Contractor shall replace or correct the defect or non-conformance issue. The Contractor shall correct or replace equipment, at no cost to the Public Body, which shall be subject to all provisions of this clause to the same extent as the equipment initially delivered. If the Contractor refuses to replace or correct the deficiency, or fails to replace or correct after three tries, then the Public Body may have the equipment corrected or replaced with similar items and charge the Contractor for the costs.
3. Vehicle Publications: The Contractor must furnish the following with each conversion (1 copy each per vehicle):
 - New Vehicle Warranty Information Manual
 - New Vehicle Owner's Manual
 - Manufacturer's Statement of Origin (MSO)
 - Delayed Warranty Start Form, and any other such documents as necessary for delivery
4. Vehicle Delivery Schedule: The Public Body and Contractor shall discuss and develop a delivery schedule for completion of all conversion services prior to issuance of a purchase order.

5. Pricing includes shipping/transportation, pick-up from the Public Body's site and delivery to the Contractor's conversion site, then transport back to the Public Body site once conversion is complete. Pricing also includes all labor for the conversion, as well as labor, parts, and materials to install and make operational the conversion to comply with all vehicle warranty requirements and specifications.
6. Bi-Fuel Prins Vapor Injection Conversion: The bi-fuel Prins Vapor System standard price of \$5,400.00 for vehicles with GVW less than 14,000 lbs and for vehicles over 14,000 lbs the standard price is \$6,200.00 effective (October 1, 2020).

Contractor agrees to provide b-fuel PRINS Vapor Injection Systems purchased during the applicable contract term at the rates listed below.

Pricing shall be effective upon final execution of Modification #9 to Contract PPEA-SOA-2011-07-22-AA, and shall remain in effect until written notification and approval of both parties.

SYSTEM	PRICE
Prins VSI (hi-fuel) system for various vehicle platforms as listed at http://www.allianceautogas.com/certifications	
*Includes any Prins VSI Conversion system with any tank configuration F.O.B. to any conversion center or Fleet Customer	<ol style="list-style-type: none"> 1. Standard System and Conversion under 14,000lbs: without tank (-) \$800.00. <ul style="list-style-type: none"> • Parts \$5,400.00 • Labor: \$1,500.00 2. Plug & Play System Conversion over 14,000lbs: without tank (-) \$800.00. <ul style="list-style-type: none"> • Parts \$6,200.00 • Labor: \$1,500.00 3. Copies of actual invoices to be provided to purchasing entities. 4. Additional Charge for second tank: \$1,400.00 5. Additional Charge for On-site install: \$200.00 6. Additional Charge for Chevrolet Impala or Caprice install: \$200.00 7. Additional charge for optional single drawer/storage system for Ford Explorer Interceptor \$2,700.00 <ul style="list-style-type: none"> • Labor \$200.00 8. Police Storage System \$2,900 installed.

** If lift-gate at delivery location is required, there will be an additional 100.00 charge.

7. Roush Clean Tech conversions:

a. Ford E-150/250/350 E-series Passenger & Cargo Vans with gaseous prep package (91G) already installed

- (1) 2009 & newer model year
- (2) 5.4L 2V engine
- (3) Pricing for conversion

SYSTEM	PRICE
<ul style="list-style-type: none"> E-150/250/350 to 25 usable gallon mid-ship tank or 46 Gallon Interior tank Ford SRW cutaway with 9600 GVWR 	

(4) Comments:

i. The Ford E-150/250/350 passenger & cargo van will be replaced with the full sized Ford Transit van in the fall of 2013. Contractor will offer a dedicated liquid propane conversion for the full sized Transit van that will be available at Ford's launch of the vehicle. Contractor will continue to offer the conversion package for the E-150/250/350 after the introduction of the full sized Transit van.

ii. Pricing for the liquid propane injection system for the full sized Transit van will be available in summer of 2013. At that time the Department and Contractor will negotiate a price for the injection system.

b. Ford F-250/350 F-series pick-up trucks and chassis cabs with gaseous prep package :

- (1) 2012 & newer model year
- (2) 6.2L V8 engine
- (3) Pricing for conversion

SYSTEM	PRICE
F-250/350 to 23 usable gallon mid-ship tank	\$11,050.00
F-250/350 to 43 usable gallon in-bed/service body tank	\$10,350.00

c. Ford E-450 Dual Rear Wheel Cutaway with gaseous prep package (91 G):

(1) 2009 & newer model year

SYSTEM	PRICE
E450 to 41 usable gallon (aft rear axle and below frame rail) or Micro Bird Type A school bus	\$14,050.00

(2) 6.8L 2V VIO engine

(3) Pricing for conversion

- i. System will work with 158", 176" or stretched wheelbase applications
- ii. System will work with dual a/c applications (i.e. shuttle buses)
- iii. System qualifies for FTA funding

d. Ford 2011 & newer F-450/550 chassis cabs with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.

e. Ford 2012 & newer F-650 chassis cab with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.

(f) Roush CleanTech Liquid Propane Injection System is Ford Alt Fuel QVM approved. The base Ford vehicle warranty remains in effect and Blossman will provide the RCT warranty on propane fuel system components.

(g) Ford ship-thru is available on all products

8. CleanFuelUSA conversions:

GM vehicle after-market conversions:

SYSTEM	PRICE
GM 4500 (after market conversion)	\$10,500.00 installed in vehicles which already have the requisite harden valves. Additional \$3,000.00 for vehicles that require hardening of valves prior to conversion
Additional vehicles makes and models (e.g. school bus models)	To be agreed upon by Contractor and the Department

9. Initial Conversions for Department

Upon execution of the Comprehensive Agreement, the Contractor shall provide conversion services for two (2) 2012 Ford F-250 (6.2L V8) vehicles provided by the Department. Conversions shall be completed 90 days after the receipt by the Contractor of an order from the Department to proceed with the conversion.

- a. The Office of Fleet Management Services shall be responsible for the transportation of the two vehicles to the Contractor's conversion site.
- b. The Contractor shall complete the conversions, transport the vehicles to the Office of Fleet Management in Richmond, Virginia, and provide training on the use of the vehicles.
- c. Vehicles may be either converted to bi or mono fuel solutions. This will be at the Contractor's discretion.
- d. Price to the Department for the Contractor to complete conversion for these two Ford F-250 vehicles shall not exceed \$3,000 per vehicle.

**MODIFICATION #8
TO
CONTRACT NUMBER PPEA-SOA-2011-07-22-AA
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
BLOSSMAN GAS, INC.**

This Modification #8 is an agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "DGS" (Department of General Services), and Blossman Gas, Inc. hereinafter referred to as "Contractor," or "Blossman" relating to Contract PPEA-SOA-2011-07-22-AA dated October 2, 2012, as amended, hereinafter referred to as the "Contract" or "Agreement." This Modification #8 is hereby incorporated into and made an integral part of the Agreement.

The purpose of this Modification #8 is to document both parties agreement concerning renew the Contract. All changes are effective immediately upon the execution of the Modification #8 unless otherwise stated herein. There are two (2) optional one (1) year renewals remaining on this contract.

Reference: Contract PPEA-SOA-2011-07-22-AA Condition #12, entitled "TERM," the Commonwealth elects to exercise its option to renew Contract PPEA-SOA-2011-07-22-AA for a period of (1) one year, beginning October 2, 2020 through October 1, 2021.

Reference: Exhibit F entitled "Pricing for Vehicle Conversion Services" is hereby replaced with the attached update and revised Exhibit F, attached hereto and incorporated herein. The replacement Exhibit F adds additional charge for optional single drawer protective/storage system for Ford Explorer Interceptor.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

BLOSSMAN GAS, INC.

**COMMONWEALTH OF VIRGINIA
DEPT. OF GENERAL SERVICES
OFFICE PROCUREMENT SERVICES**

By: _____


SIGNATURE

NAME: _____

Edwin H. Allen
PRINTED OR TYPED

TITLE: _____

General

DATE: _____

6/29/2020

By: _____


SIGNATURE

NAME: _____

Keith B. Gordon

TITLE: _____

Contracting Officer

DATE: _____

06-30-20

Exhibit F

Pricing for Vehicle Conversion Services

Contractor agrees to provide aftermarket vehicle conversion services for vehicles purchased by Public Bodies. Conversion kits are available from various manufacturers.

1. Aftermarket conversions will only be done on vehicles in which contractor or manufacturer of record holds EPA certifications. Converted vehicles will meet U.S. Government Standards for sale in the Commonwealth of Virginia. EPA Emissions Certification is available upon request. A listing of EPA certified vehicle conversions will be maintained and updated on Contractors or subcontractor websites:

www.allianceautogas.com

www.roushcleanteach.com

www.cleanti.telusa.com

2. Warranty: Vehicle conversions shall not impact applicable manufacturer warranties upon the vehicles. Contractor warrants that all materials and equipment related to a vehicle conversion shall be fully guaranteed against defects in material, workmanship, and operate in accordance with all original equipment manufacturer (OEM) operating standards and performance specifications for a period of three (3) years or 30,000 miles, whichever comes first, following the date the converted vehicle is received by the Public Body from the Contractor after the vehicle conversion is completed. Should any defect be noted by the Public Body, then the Public Body will notify the Contractor of such defect or non-conformance. Such notification will state that the Contractor shall replace or correct the defect or non-conformance issue. The Contractor shall correct or replace equipment, at no cost to the Public Body, which shall be subject to all provisions of this clause to the same extent as the equipment initially delivered. If the Contractor refuses to replace or correct the deficiency, or fails to replace or correct after three tries, then the Public Body may have the equipment corrected or replaced with similar items and charge the Contractor for the costs.
3. Vehicle Publications: The Contractor must furnish the following with each conversion (1 copy each per vehicle):
 - New Vehicle Warranty Information Manual
 - New Vehicle Owner's Manual
 - Manufacturer's Statement of Origin (MSO)
 - Delayed Warranty Start Form, and any other such documents as necessary for delivery
4. Vehicle Delivery Schedule: The Public Body and Contractor shall discuss and develop a delivery schedule for completion of all conversion services prior to issuance of a purchase order.

5. Pricing includes shipping/transportation, pick-up from the Public Body's site and delivery to the Contractor's conversion site, then transport back to the Public Body site once conversion is complete. Pricing also includes all labor for the conversion, as well as labor, parts, and materials to install and make operational the conversion to comply with all vehicle warranty requirements and specifications.
6. Bi-fuel Prins Vapor Sequential Injection Conversions: The bi-fuel Prins vapor sequential injection system is standard priced at \$5,800. To help meet the needs of the Commonwealth, Contractor agrees to provide bi-fuel Prins vapor sequential injection (VSI) systems purchased during the Commonwealth's 2013 fiscal year (beginning July 1, 2012 and ending June 30, 2013) at the rates listed below. This pricing is available for vehicles less than or equal to 9,500 GTW.

SYSTEM	PRICE
Prins VSI (hi-fuel) system for various vehicle platforms as listed at http://www.allianceautogas.com/certifications	
*Includes any Prins VSI Conversion system with any tank configuration F.O.B. to any conversion center or Fleet Customer	<ol style="list-style-type: none"> 1. Standard System and Conversion: \$5,600.00 <ul style="list-style-type: none"> • Parts \$4,100.00 • Labor: \$1,500.00 2. Plug & Play System Conversion: \$5,600.00 <ul style="list-style-type: none"> • Parts: \$5,000.00 • Labor: \$600.00 3. Copies of actual invoices to be provided to purchasing entities. 4. Additional Charge for second tank: \$1,200.00 5. Additional Charge for On-site install: \$200.00 6. Additional Charge for Chevrolet Impala or Caprice install: \$200.00 7. Additional charge for optional single drawer/storage system for Ford Explorer Interceptor \$2,700.00 <ul style="list-style-type: none"> • Labor \$200.00

** If lift-gate at delivery location is required, there will be an additional 100.00 charge.

7. Roush Clean Tech conversions:
 - a. Ford E-150/250/350 E-series Passenger & Cargo Vans with gaseous prep package (91G) already installed
 - (1) 2009 & newer model year
 - (2) 5.4L 2V engine
 - (3) Pricing for conversion

SYSTEM	PRICE
<ul style="list-style-type: none"> E-150/250/350 to 25 usable gallon mid-ship tank or 46 Gallon Interior tank Ford SRW cutaway with 9600 GVWR 	

(4) Comments:

- i. The Ford E-150/250/350 passenger & cargo van will be replaced with the full sized Ford Transit van in the fall of 2013. Contractor will offer a dedicated liquid propane conversion for the full sized Transit van that will be available at Ford's launch of the vehicle. Contractor will continue to offer the conversion package for the E-150/250/350 after the introduction of the full sized Transit van.
 - ii. Pricing for the liquid propane injection system for the full sized Transit van will be available in summer of 2013. At that time the Department and Contractor will negotiate a price for the injection system.
- b. Ford F-250/350 F-series pick-up trucks and chassis cabs with gaseous prep package :
- (1) 2012 & newer model year
 - (2) 6.2L V8 engine
 - (3) Pricing for conversion

SYSTEM	PRICE
F-250/350 to 23 usable gallon mid-ship tank	\$11,050.00
F-250/350 to 43 usable gallon in-bed/service body tank	\$10,350.00

c. Ford E-450 Dual Rear Wheel Cutaway with gaseous prep package (91 G):

- (1) 2009 & newer model year
- (2) 6.8L 2V VIO engine
- (3) Pricing for conversion

i. System will work with 158", 176" or stretched wheelbase applications

ii. System will work with dual a/c applications (i.e. shuttle buses)

iii. System qualifies for FTA funding

SYSTEM	PRICE
E450 to 41 usable gallon (aft rear axle and below frame rail)	\$14,050.00
or	
Micro Bird Type A school bus	

d. Ford 2011 & newer F-450/550 chassis cabs with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.

e. Ford 2012 & newer F-650 chassis cab with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.

(f) Roush CleanTech Liquid Propane Injection System is Ford Alt Fuel QVM approved. The base Ford vehicle warranty remains in effect and Blossman will provide the RCT warranty on propane fuel system components.

(g) Ford ship-thru is available on all products

8. CleanFuelUSA conversions:

GM vehicle after-market conversions:

SYSTEM	PRICE
GM 4500 (after market conversion)	\$10,500.00 installed in vehicles which already have the requisite harden valves. Additional \$3,000.00 for vehicles that require hardening of valves prior to conversion
Additional vehicles makes and models (e.g. school bus models)	To be agreed upon by Contractor and the Department

9. Initial Conversions for Department

Upon execution of the Comprehensive Agreement, the Contractor shall provide conversion services for two (2) 2012 Ford F-250 (6.2L V8) vehicles provided by the Department. Conversions shall be completed 90 days after the receipt by the Contractor of an order from the Department to proceed with the conversion.

- a. The Office of Fleet Management Services shall be responsible for the transportation of the two vehicles to the Contractor's conversion site.
- b. The Contractor shall complete the conversions, transport the vehicles to the Office of Fleet Management in Richmond, Virginia, and provide training on the use of the vehicles.
- c. Vehicles may be either converted to bi or mono fuel solutions. This will be at the Contractor's discretion.
- d. Price to the Department for the Contractor to complete conversion for these two Ford F-250 vehicles shall not exceed \$3,000 per vehicle.

**MODIFICATION #7
TO
CONTRACT NUMBER PPEA-SOA-2011-07-22-AA
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
BLOSSMAN GAS, INC.**

This Modification #7 is an agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "DGS" (Department of General Services), and Blossman Gas, Inc. hereinafter referred to as "Contractor," or "Blossman" relating to Contract PPEA-SOA-2011-07-22-AA dated October 2, 2012, as amended, hereinafter referred to as the "Contract" or "Agreement." This Modification #7 is hereby incorporated into and made an integral part of the Agreement.

The purpose of this Modification #7 is to document both parties agreement concerning renew the Contract. All changes are effective immediately upon the execution of the Modification #7 unless otherwise stated herein. There are three (3) optional one (1) year renewals remaining on this contract.

Reference: Contract PPEA-SOA-2011-07-22-AA Condition #12, entitled "TERM," the Commonwealth elects to exercise its option to renew Contract PPEA-SOA-2011-07-22-AA for a period of (1) one year, beginning October 2, 2019 through October 1, 2020.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

BLOSSMAN GAS, INC.

**COMMONWEALTH OF VIRGINIA
DEPT. OF GENERAL SERVICES
CENTRAL PROCUREMENT UNIT**

By: _____

TODD M KEINKE
SIGNATURE

NAME: _____

TODD M KEINKE
PRINTED OR TYPED

TITLE: _____

V.P., ADMINISTRATION

DATE: _____

8/20/19

By: _____

K.C. McCullough
SIGNATURE

NAME: _____

K.C. McCullough

TITLE: _____

Director of OPS Procurement

DATE: _____

8/26/2019

**MODIFICATION #6
TO
CONTRACT NUMBER PPEA-SOA-2011-07-22-AA
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
BLOSSMAN GAS, INC.**

This Modification #6 is an agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "DGS" (Department of General Services), and Blossman Gas, Inc. hereinafter referred to as "Contractor," or "Blossman" relating to Contract PPEA-SOA-2011-07-22-AA dated October 2, 2012, as amended, hereinafter referred to as the "Contract" or "Agreement." This Modification #5 is hereby incorporated into and made an integral part of the Agreement.

The purpose of this Modification #6 is to document both parties agreement concerning renew the Contract. All changes are effective immediately upon the execution of the Modification #6 unless otherwise stated herein. There are four (4) optional one (1) year renewals remaining on this contract.

Reference: Contract PPEA-SOA-2011-07-22-AA Condition #12, entitled "TERM," the Commonwealth elects to exercise its option to renew Contract PPEA-SOA-2011-07-22-AA for a period of (1) one year, beginning October 2, 2018 through October 1, 2019.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

BLOSSMAN GAS, INC.

**COMMONWEALTH OF VIRGINIA
DEPT. OF GENERAL SERVICES
CENTRAL PROCUREMENT UNIT**

By: 
SIGNATURE

By: 
SIGNATURE

NAME: TODD M REINKE
PRINTED OR TYPED

NAME: K.C. McCullough

TITLE: VP, ADMIN

TITLE: Director of CPU Procurement

DATE: 8/15/18

DATE: 8/20/2018

**MODIFICATION #5
TO
CONTRACT NUMBER PPEA-SOA-2011-07-22-AA
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
BLOSSMAN GAS, INC.**

This Modification #5 is an agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth" or "DGS" (Department of General Services), and Blossman Gas, Inc. hereinafter referred to as "Contractor," or "Blossman" relating to Contract PPEA-SOA-2011-07-22-AA dated October 2, 2012, as amended, hereinafter referred to as the "Contract" or "Agreement." This Modification #5 is hereby incorporated into and made an integral part of the Agreement.

The purpose of this Modification #5 is to document both parties agreement concerning: A. Renew the Contract, B: Change the primary point of contact and C. Revision of General Conditions due to regulatory changes. All changes are effective immediately upon the execution of the Modification #5 unless otherwise stated herein.

- A. Reference: Contract PPEA-SOA-2011-07-22-AA Condition #12, entitled "TERM," the Commonwealth elects to exercise its option to renew Contract PPEA-SOA-2011-07-22-AA for a period of (1) one year, beginning October 2, 2017 through October 1, 2018.
- B. Reference: Contract PPEA-SOA-2011-07-22-AA Condition #10 entitled "NOTICES", the primary point of contact for Blossman will be:
Jessica Johnson
jcjohnson@allianceautogas.com
- C. Reference: Contract PPEA-SOA-2011-07-22-AA, Exhibit D entitled, Terms and Conditions, Subsection 9 entitled "Changes to the Contract" which allows changes to be made to the Contract by mutual agreement of both parties.

- 1. Revise Paragraph 1, entitled "Applicable Laws and Courts to read:

This contract shall be governed in all respects by the laws of the Commonwealth of Virginia, without regard to its choice of law provisions, and any litigation with respect thereto shall be brought in the circuit courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (Code of Virginia, § 2.2-4366). ADR procedures are described in Chapter 9 of the Vendors Manual. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.

- 2. Revise Paragraph 2, entitled "Anti-Discrimination" to read:

Contractor certifies to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the Virginia Public Procurement Act (VPPA). If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or

disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (Code of Virginia, § 2.2-4343.1E).

In every contract over \$10,000 the provisions in a. and b. below apply:

a. During the performance of this contract, the contractor agrees as follows:

- i. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- ii. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
- iii. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- iv. The requirements of these provisions i. and ii. are a material part of the contract. If the Contractor violates one of these provisions, the Commonwealth may terminate the affected part of this contract for breach, or at its option, the whole contract. Violation of one of these provisions may also result in debarment from State contracting regardless of whether the specific contract is terminated.
- v. In accordance with Executive Order 61 (2017), a prohibition on discrimination by the contractor, in its employment practices, subcontracting practices, and delivery of goods or services, on the basis of race, sex, color, national origin, religion, sexual orientation, gender identity, age, political affiliation, disability, or veteran status, is hereby incorporated in this contract.

b. The Contractor will include the provisions of i. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

3. Revise Paragraph 6, entitled "Payment" to read:

a. To Prime Contractor:

- i. Invoices for items ordered, delivered and accepted shall be submitted by the

contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).

- ii. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
 - iii. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
 - iv. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
 - v. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be resolved in accordance with Code of Virginia, § 2.2-4363 and -4364. Upon determining that invoiced charges are not reasonable, the Commonwealth shall notify the contractor of defects or improprieties in invoices within fifteen (15) days as required in Code of Virginia, § 2.2-4351. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (Code of Virginia, § 2.2-4363).
- b. To Subcontractors:
- i. Within seven (7) days of the Contractor's receipt of payment from the Commonwealth, a Contractor awarded a Contract under this solicitation is hereby obligated:
 - (1) To pay the subcontractor(s) for the proportionate share of the payment received for work performed by the Subcontractor(s) under the contract; or
 - (2) To notify the agency and the Subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.
 - ii. The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A Contractor's obligation to pay an interest charge to a Subcontractor may not be construed to be an obligation of the Commonwealth.
- c. Each prime Contractor who wins an award in which provision of a SWaM procurement plan is a condition to the award, shall deliver to the contracting agency

or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWaM procurement plan. Final payment under the Contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.

- d. The Commonwealth of Virginia encourages Contractors and Subcontractors to accept electronic and credit card payments.

4. Revise Paragraph 11, entitled "Taxes" to read:

Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

If sales or deliveries against the contract are not exempt, the Contractor shall be responsible for the payment of such taxes unless the tax law specifically imposes the tax upon the buying entity and prohibits the contractor from offering a tax-included price.

5. Revise Paragraph 12, entitled "Insurance" to read:

The Contractor certifies that if awarded the contract, it will have the following insurance coverage at the time the Contract is awarded. For construction Contracts, if any Subcontractors are involved, the Subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. The Contractor further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS:

- a. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the Contract shall be in noncompliance with the contract.
- b. Employer's Liability - \$100,000.
- c. Commercial General Liability - \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage.
- d. Automobile Liability - \$1,000,000 combined single limit.

The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.

6. Revise Paragraph 15, entitled "Availability of Funds" to read:

It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent that the legislature has appropriated funds that are legally available or may hereafter become legally available for the purpose of this agreement.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

BLOSSMAN GAS, INC.

**COMMONWEALTH OF VIRGINIA
DEPT. OF GENERAL SERVICES
CENTRAL PROCUREMENT UNIT**

By: 

SIGNATURE

By: 

SIGNATURE

NAME: STUART E. WESSIE
PRINTED OR TYPED

NAME: K.C. McCullough

TITLE: PRESIDENT

TITLE: Director of CPU Procurement

DATE: 8/29/17

DATE: 8/31/2017

**MODIFICATION #4
TO
CONTRACT NUMBER PPEA-SOA 2011-07-22-AA
BETWEEN
THE COMMONWEALTH OF VIRGINIA
DEPARTMENT OF GENERAL SERVICES
AND
BLOSSMAN GAS, INC.**

This MODIFICATION #4 is an Agreement between the Commonwealth of Virginia, Department of General Services, hereinafter referred to as "State" or "Commonwealth" or "DGS" and Blossman Gas, Inc., hereinafter referred to as "Contractor", relating to Contract PPEA-SOA 2011-07-22-AA, with an effective date of October 2, 2012, hereinafter referred to as the "Contract" or "Agreement". This Modification # 3 is hereby incorporated into and made an integral part of Contract PPEA-SOA 2011-07-22-AA.

The purpose of this Modification #4 is to document both parties' agreement to replace and update Exhibit F, entitled "*Pricing for Vehicle Conversion Services*" Changes are effective immediately upon the final execution of this Modification #3.

REFERENCE: Contract PPEA-SOA 2011-07-22-AA, Exhibit D, Terms and Conditions #9, entitled "Changes to the Contract":

- 1) Exhibit F, entitled "*Pricing for Vehicle Conversion Services*" is hereby replaced with the attached updated and revised Exhibit F, attached hereto and incorporated herein. The replacement Exhibit F updates pricing for bi-fuel PRINS Vapor Sequential Injection (VSI) Systems. Exhibit F previously incorporated is hereby deleted, and made null and void.

The foregoing is the complete and final expression of the parties' agreement to modify Contract PPEA-SOA 2011-07-22-AA and cannot be modified, except by a writing signed by the duly authorized representatives of both parties.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE

BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

BLOSSMAN GAS, INC

BY:

NAME: DAVID M. FINDER
(PRINTED)

TITLE: NATIONAL Energy Programs Mgr

DATE: 5/9/2016

COMMONWEALTH OF VIRGINIA

BY:

NAME: K.C. McCullough
(PRINTED)

TITLE: Director CPU Procurement

DATE: 5/12/2016

Exhibit F
Pricing for Vehicle Conversion Services

Contractor agrees to provide aftermarket vehicle conversion services for vehicles purchased by Public Bodies. Conversion kits are available from various manufacturers.

1. Aftermarket conversions will only be done on vehicles in which contractor or manufacturer of record holds EPA certifications. Converted vehicles will meet U.S. Government Standards for sale in the Commonwealth of Virginia. EPA Emissions Certification is available upon request. A listing of EPA certified vehicle conversions will be maintained and updated on Contractors or subcontractor websites:

- www.allianceautogas.com
- www.roushcleanteach.com
- www.cleanfuelusa.com

2. Warranty: Vehicle conversions shall not impact applicable manufacturer warranties upon the vehicles. Contractor warrants that all materials and equipment related to a vehicle conversion shall be fully guaranteed against defects in material, workmanship, and operate in accordance with all original equipment manufacturer (OEM) operating standards and performance specifications for a period of three (3) years or 30,000 miles, whichever comes first, following the date the converted vehicle is received by the Public Body from the Contractor after the vehicle conversion is completed. Should any defect be noted by the Public Body, then the Public Body will notify the Contractor of such defect or non-conformance. Such notification will state that the Contractor shall replace or correct the defect or non-conformance issue. The Contractor shall correct or replace equipment, at no cost to the Public Body, which shall be subject to all provisions of this clause to the same extent as the equipment initially delivered. If the Contractor refuses to replace or correct the deficiency, or fails to replace or correct after three tries, then the Public Body may have the equipment corrected or replaced with similar items and charge the Contractor for the costs.
3. Vehicle Publications: The Contractor must furnish the following with each conversion (1 copy each per vehicle):
 - New Vehicle Warranty Information Manual
 - New Vehicle Owner's Manual
 - Manufacturer's Statement of Origin (MSO)
 - Delayed Warranty Start Form, and any other such documents as necessary for delivery
4. Vehicle Delivery Schedule: The Public Body and Contractor shall discuss and develop a delivery schedule for completion of all conversion services prior to issuance of a purchase order.

5. Pricing includes shipping/transportation, pick-up from the Public Body's site and delivery to the Contractor's conversion site, then transport back to the Public Body site once conversion is complete. Pricing also includes all labor for the conversion, as well as labor, parts, and materials to install and make operational the conversion to comply with all vehicle warranty requirements and specifications.

6. Bi-fuel Prins Vapor Sequential Injection Conversions: The bi-fuel PRINS Vapor Sequential Injection System is standard priced \$6,400 (July 1, 2013). To help meet the needs of the Commonwealth, Contractor agrees to provide bi-fuel PRINS Vapor Sequential Injection (VSI) Systems purchased during the applicable contract term at the rates listed below. This pricing is available for vehicles less than or equal to 9,500 GTW. Pricing shall be effective upon final execution of Modification #3 to Contract PPEA-SOA-2011-07-22-AA, and shall remain in effect until written notification and approval of both parties.

MODIFICATION #4	SYSTEM	PRICE
	Prime VSI (bi-fuel) systems for various vehicle platforms as listed at http://www.allianceautogas.com/certifications	
	*Includes any Prins VSI Conversion system with any tank configuration F.O.B. to any conversion center or Fleet Customer.	1. Standard System and Conversion: \$5,600.00 o Parts: \$4,100.00 o Labor: \$1,500.00 2. Plug & Play System Conversion: \$5,600.00 o Parts: \$5,000.00 o Labor: \$600.00 3. Copies of actual invoices to be provided to purchasing entities. 5. Additional Charge for second tank: \$1,200.00 6. Additional Charge for On-site install: \$200.00 7. Additional Charge for Chevrolet Impala or Caprice install: \$200.00 4. 5. Additional Charge for On-site install \$200.00

** If lift-gate at delivery location is required, there will be an additional \$100.00 charge.

7. Roush Clean Tech conversions:

(a) Ford E-150/250/350 E-series Passenger & Cargo Vans with gaseous prep package (91G) already installed

(1) 2009 & newer model year

(2) 5.4L 2V engine

(3) Pricing for conversion:

SYSTEM	PRICE
<ul style="list-style-type: none"> E-150/250/350 to 25 usable gallon mid-ship tank or 46 Gallon interior OR	\$10,950.00
<ul style="list-style-type: none"> Ford SRW cutaway with 9600 GVWR 	

(4) Comments:

i. The Ford E-150/250/350 passenger & cargo van will be replaced with the full sized Ford Transit van in the fall of 2013. Contractor will offer a dedicated liquid propane conversion for the full sized Transit van that will be available at Ford's launch of the vehicle. Contractor will continue to offer the conversion package for the E-150/250/350 after the introduction of the full sized Transit van.

ii. Pricing for the liquid propane injection system for the full sized Transit van will be available in summer of 2013. At that time, the Department and Contractor will negotiate a price for the injection system.

(b) Ford F-250/350 F-series pick-up trucks and chassis cabs with gaseous prep package:

(1) 2012 & newer model year

(2) 6.2L V8 engine

(3) Pricing for conversion:

SYSTEM	PRICE
F-250/350 to 23 usable gallon mid-ship tank	\$11,050.00
F-250/350 to 43 usable gallon in-bed/service body tank	\$10,350.00

(c) Ford E-450 Dual Rear Wheel Cutaway with gaseous prep package (91G):

(1) 2009 & newer model year

(2) 6.8L 2V V10 engine

(3) Pricing for conversion:

SYSTEM	PRICE
<ul style="list-style-type: none"> E450 to 41 usable gallon (aft rear axle & below frame rail) OR	\$14,050.00
<ul style="list-style-type: none"> Micro Bird Type A school bus 	

(4) Comments:

- i. System will work with 158", 176" or stretched wheelbase applications
- ii. System will work with dual axle applications (i.e. shuttle buses)
- iii. System qualifies for FTA funding

(d) Ford 2011 & newer F-450/550 chassis cabs with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.

(e) Ford 2012 & newer F-650 chassis cab with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.

(f) Roush CleanTech Liquid Propane Injection System is Ford Alt Fuel QVM approved. The base Ford vehicle warranty remains in effect and Blossman will provide the RCT warranty on propane fuel system components.

(g) Ford ship-thru is available on all products

8. Clean Fuel USA conversions:
GM vehicle after-market conversions:

SYSTEM	PRICE
GM 4500 (aftermarket conversion)	\$10,500.00- installed in vehicles which already have the requisite hardened valves. Additional \$3,000.00 for vehicles that require hardening of valves that require hardening of valves prior to conversion.
Additional vehicle makes and models (e.g. school bus model)	To be agreed upon by Contactor and the Department

9. Initial Conversions for Department

Upon execution of the Comprehensive Agreement, the Contractor shall provide conversion services for two (2) 2012 Ford F-250 (6.2L V8) vehicles provided by the Department. Conversions shall be completed 90 days after the receipt by the Contractor of an order from the Department to proceed with the conversion.

(a) The Office of Fleet Management Services shall be responsible for the transportation of the two vehicles to the Contractor's conversion site.

(b) The Contractor shall complete the conversions, transport the vehicles to the Office of Fleet Management in Richmond, Virginia, and provide training on the use of the vehicles.

(c) Vehicles may be either converted to bi or mono fuel solutions. This will be at the Contractor's discretion.

(d) Price to the Department for the Contractor to complete conversion for these two Ford F-250 vehicles shall not exceed \$3,000 per vehicle.

**MODIFICATION #3
TO
CONTRACT NUMBER PPEA-SOA 2011-07-22-AA
BETWEEN
THE COMMONWEALTH OF VIRGINIA
DEPARTMENT OF GENERAL SERVICES
AND
BLOSSMAN GAS, INC.**

This MODIFICATION #3 is an Agreement between the Commonwealth of Virginia, Department of General Services, hereinafter referred to as "State" or "Commonwealth" or "DGS" and Blossman Gas, Inc., hereinafter referred to as "Contractor", relating to Contract PPEA-SOA 2011-07-22-AA, with an effective date of October 2, 2012, hereinafter referred to as the "Contract" or "Agreement". This Modification # 3 is hereby incorporated into and made an integral part of Contract PPEA-SOA 2011-07-22-AA.

The purpose of this Modification #3 is to (1) document both parties' agreement to replace and update Exhibit F, entitled "*Pricing for Vehicle Conversion Services*" and (2) to document revisions and additions to the Terms and Conditions as required by changes to Virginia laws and procurement policies. Changes are effective immediately upon the final execution of this Modification #3.

REFERENCE: Contract PPEA-SOA 2011-07-22-AA, Exhibit D, Terms and Conditions #9, entitled "Changes to the Contract":

- 1) Exhibit F, entitled "*Pricing for Vehicle Conversion Services*" is hereby replaced with the attached updated and revised Exhibit F, attached hereto and incorporated herein. The replacement Exhibit F updates pricing for bi-fuel PRINS Vapor Sequential Injection (VSI) Systems. Exhibit F previously incorporated is hereby deleted, and made null and void.
- 2) Revisions and additions to Terms and Conditions of Contract PPEA-SOA 2011-07-22-AA, as required by regulatory changes:

A. Revise Condition #9, entitled "*Small Business Participation*", within the Comprehensive Agreement section of the Contract to read:

It is the goal of the Commonwealth that 42% of its purchases be made from small businesses. This includes discretionary spending in prime contracts and subcontracts. The Parties acknowledge that this Agreement has limited subcontracting opportunities, but the Contractor is encouraged to look for opportunities to subcontract to Small Businesses certified as such by the Department of Small Business and Supplier Diversity (DSBSD), formally known as the Department of Minority Business Enterprise (DMBE).

During the term of this Agreement, Contractor agrees to provide an annual report on

its use of Small Businesses, as well as its use of businesses certified as minority-owned or women-owned. The report shall contain the following information: Prime Contractor Tax ID number; Prime Contractor Name; Subcontractor Tax ID number; Subcontractor Name; Transaction Date; Transaction Type; Contract ID number; and Amount of Transaction.

This report will specify actual dollars expended, by month, with such businesses under this Contract, in an electronic .xls spreadsheet format as follows:

Prime Tax ID	Prime Contractor	Subcontractor Tax ID#	Subcontractor Name	Transaction Date	Transaction Type	Contract ID	Amount
123456789	Alliance	123456789	ABC Transport, Inc	7/1/2012	Transportation Services	PPEA-SOA 2011-07-22-M	\$1496.12
123456789	Alliance	321654987	XYX Trucking, Inc.	7/1/2012	Transportation Services	PPEA-SOA 2011-07-22-M	\$5275.00
Total							\$6771.12

This report shall be submitted in an electronic .xls spreadsheet format via e-mail to: procurement@dgs.virginia.gov no later than 90 days after the close of the Fiscal year.

Each prime contractor who wins an award valued over \$200,000 shall deliver to the Department of General Services on an annual basis, information on use of subcontractors that are not DSBSD-certified small businesses. Upon completion of the Contract, the Contractor agrees to furnish the purchasing office at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, and type of product or service provided.

- B. Revise** Term and Condition #10, entitled “Notices” to add the following entity to be notified as delineated within this clause for all notices and demands as written:

To the Department: Director, DGS Procurement
 1100 Bank Street, 7th Floor, Suite 724
 Richmond, Virginia 23219
 E-mail: procurement@dgs.virginia.gov
 Telephone No.: (804) 786-8767
 Facsimile No.: (804)786-1593

- C. Revise Exhibit D** Terms and Conditions #14, entitled “eVA Business-To-Government Vendor Registration” to read:

The eVA Internet electronic procurement solution, website portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business

with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution by completing the free eVA Vendor Registration. All Contractors must register in eVA and pay the Vendor Transaction Fees specified below.

Vendor transaction fees are determined by the date the original purchase order is issued and the current fees are as follows:

(a) For orders issued July 1, 2014 and after, the Vendor Transaction Fee is:

- (i) DSBSD-certified Small Businesses: 1%, capped at \$500 per order.
- (ii) Businesses that are not DSBSD-certified Small Businesses: 1%, capped at \$1,500 per order.

For orders issued prior to July 1, 2014 the vendor transaction fees can be found at www.eVA.virginia.gov.

The specified vendor transaction fee will be invoiced, by the Commonwealth of Virginia Department of General Services, approximately 30 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes.

(b) For fuel purchases where no prior purchase order is issued, the Vendor Transaction Fee shall be 1% of the Contractor's invoiced Contractor Fee expressed in dollars, paid quarterly. Each quarterly eVA transaction fee payment shall be submitted to the Commonwealth's Contract Administrator within 15 days after the end of the quarter and shall be substantiated by an itemized report of the invoiced sales used to calculate the eVA transaction fee payment for that quarter. The report shall be provided in an Excel format and shall include the following itemized data:

- *Purchasing Agency/Entity
- *Contractor's Invoice Number
- *Contractor's Invoice Date
- *Contractor's Invoice Amount
- *Fuel type
- *Unit price
- *Number of units
- *Contractor 's Fee

The foregoing is the complete and final expression of the parties' agreement to modify Contract PPEA-SOA 2011-07-22-AA and cannot be modified, except by a writing signed by the duly authorized representatives of both parties.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

BLOSSMAN GAS, INC

BY:

David Finder

NAME:

DAVID Finder

(PRINTED)

TITLE:

NATIONAL Energy Programs
MANAGER

DATE:

12/29/2014

COMMONWEALTH OF VIRGINIA

BY:

K.C. McCullough

NAME:

K.C. McCullough

(PRINTED)

TITLE:

Dir. CPU Procurement

DATE:

1/5/15

Exhibit F
Pricing for Vehicle Conversion Services

Contractor agrees to provide aftermarket vehicle conversion services for vehicles purchased by Public Bodies. Conversion kits are available from various manufacturers.

1. Aftermarket conversions will only be done on vehicles in which contractor or manufacturer of record holds EPA certifications. Converted vehicles will meet U.S. Government Standards for sale in the Commonwealth of Virginia. EPA Emissions Certification is available upon request. A listing of EPA certified vehicle conversions will be maintained and updated on Contractors or subcontractor websites:
 - www.allianceautogas.com
 - www.roushcleanteach.com
 - www.cleanfuelusa.com
2. Warranty: Vehicle conversions shall not impact applicable manufacturer warranties upon the vehicles. Contractor warrants that all materials and equipment related to a vehicle conversion shall be fully guaranteed against defects in material, workmanship, and operate in accordance with all original equipment manufacturer (OEM) operating standards and performance specifications for a period of three (3) years or 30,000 miles, whichever comes first, following the date the converted vehicle is received by the Public Body from the Contractor after the vehicle conversion is completed. Should any defect be noted by the Public Body, then the Public Body will notify the Contractor of such defect or non-conformance. Such notification will state that the Contractor shall replace or correct the defect or non-conformance issue. The Contractor shall correct or replace equipment, at no cost to the Public Body, which shall be subject to all provisions of this clause to the same extent as the equipment initially delivered. If the Contractor refuses to replace or correct the deficiency, or fails to replace or correct after three tries, then the Public Body may have the equipment corrected or replaced with similar items and charge the Contractor for the costs.
3. Vehicle Publications: The Contractor must furnish the following with each conversion (1 copy each per vehicle):
 - New Vehicle Warranty Information Manual
 - New Vehicle Owner's Manual
 - Manufacturer's Statement of Origin (MSO)
 - Delayed Warranty Start Form, and any other such documents as necessary for delivery
4. Vehicle Delivery Schedule: The Public Body and Contractor shall discuss and develop a delivery schedule for completion of all conversion services prior to issuance of a purchase order.

5. Pricing includes shipping/transportation, pick-up from the Public Body's site and delivery to the Contractor's conversion site, then transport back to the Public Body site once conversion is complete. Pricing also includes all labor for the conversion, as well as labor, parts, and materials to install and make operational the conversion to comply with all vehicle warranty requirements and specifications.

MODIFICATION #3

6. Bi-fuel Prins Vapor Sequential Injection Conversions: The bi-fuel PRINS Vapor Sequential Injection System is standard priced \$6,400 (July 1, 2013). To help meet the needs of the Commonwealth, Contractor agrees to provide bi-fuel PRINS Vapor Sequential Injection (VSI) Systems purchased during the applicable contract term at the rates listed below. This pricing is available for vehicles less than or equal to 9,500 GTW. Pricing shall be effective upon final execution of Modification #3 to Contract PPEA-SOA-2011-07-22-AA, and shall remain in effect until written notification and approval of both parties.

SYSTEM	PRICE
Prime VSI (hi-fuel) systems for various vehicle platforms as listed at http://www.allianceautogas.com/certifications	
*Includes any Prins VSI Conversion system with any tank configuration F.O.B. to any conversion center or Fleet Customer.	1. Parts: \$4,100.00 2. Labor: Actual cost as billed to Blossman Gas. 3. Copies of actual invoices to be provided to purchasing entities. 4. Standard Kit: \$5,600.00 5. Additional Charge for V10 Engine with Aluminum Intake: \$200.00 6. Additional Charge for Chevrolet Impala: \$200.00 7. Additional Charge for Chevrolet Caprice \$400.00

* This provides an allowance for conversion centers to charge \$1,500.00 on standard vehicle installs.

* If lift-gate at delivery location is required, there will be an additional \$100.00 charge.

7. Roush Clean Tech conversions:

(a) Ford E-150/250/350 E-series Passenger & Cargo Vans with gaseous prep package (91G) already installed

(1) 2009 & newer model year

(2) 5.4L 2V engine

(3) Pricing for conversion:

SYSTEM	PRICE
<ul style="list-style-type: none"> E-150/250/350 to 25 usable gallon mid-ship tank or 46 Gallon interior OR Ford SRW cutaway with 9600 GVWR 	\$10,950.00

(4) Comments:

i. The Ford E-150/250/350 passenger & cargo van will be replaced with the full sized Ford Transit van in the fall of 2013. Contractor will offer a dedicated liquid propane conversion for the full sized Transit van that will be available at Ford's launch of the vehicle. Contractor will continue to offer the conversion package for the E-150/250/350 after the introduction of the full sized Transit van.

ii. Pricing for the liquid propane injection system for the full sized Transit van will be available in summer of 2013. At that time, the Department and Contractor will negotiate a price for the injection system.

(b) Ford F-250/350 F-series pick-up trucks and chassis cabs with gaseous prep package:

(1) 2012 & newer model year

(2) 6.2L V8 engine

(3) Pricing for conversion:

SYSTEM	PRICE
F-250/350 to 23 usable gallon mid-ship tank	\$11,050.00
F-250/350 to 43 usable gallon in-bed/service body tank	\$10,350.00

(c) Ford E-450 Dual Rear Wheel Cutaway with gaseous prep package (91G):

(1) 2009 & newer model year

(2) 6.8L 2V V10 engine

(3) Pricing for conversion:

SYSTEM	PRICE
<ul style="list-style-type: none"> E450 to 41 usable gallon (aft rear axle & below frame rail) <p>OR</p> <ul style="list-style-type: none"> Micro Bird Type A school bus 	\$14,050.00

(4) Comments:

- i. System will work with 158", 176" or stretched wheelbase applications
- ii. System will work with dual axle applications (i.e. shuttle buses)
- iii. System qualifies for FTA funding

(d) Ford 2011 & newer F-450/550 chassis cabs with 6.8L 3V engine: product pricing and

available tank configurations will be available in Q1 2013.

- (e) Ford 2012 & newer F-650 chassis cab with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.
- (f) Roush CleanTech Liquid Propane Injection System is Ford Alt Fuel QVM approved. The base Ford vehicle warranty remains in effect and Blossman will provide the RCT warranty on propane fuel system components.
- (g) Ford ship-thru is available on all products

8. Clean Fuel USA conversions:
GM vehicle after-market conversions:

SYSTEM	PRICE
GM 4500 (aftermarket conversion)	\$10,500.00- installed in vehicles which already have the requisite hardened valves. Additional \$3,000.00 for vehicles that require hardening of valves that require hardening of valves prior to conversion.
Additional vehicle makes and models (e.g. school bus model)	To be agreed upon by Contactor and the Department

9. Initial Conversions for Department

Upon execution of the Comprehensive Agreement, the Contractor shall provide conversion services for two (2) 2012 Ford F-250 (6.2L V8) vehicles provided by the Department. Conversions shall be completed 90 days after the receipt by the Contractor of an order from the Department to proceed with the conversion.

- (a) The Office of Fleet Management Services shall be responsible for the transportation of the two vehicles to the Contractor's conversion site.
- (b) The Contractor shall complete the conversions, transport the vehicles to the Office of Fleet Management in Richmond, Virginia, and provide training on the use of the vehicles.
- (c) Vehicles may be either converted to bi or mono fuel solutions. This will be at the Contractor's discretion.
- (d) Price to the Department for the Contractor to complete conversion for these two Ford F-250 vehicles shall not exceed \$3,000 per vehicle.

**MODIFICATION #2
TO
CONTRACT NUMBER PPEA-SOA 2011-07-22-AA
BETWEEN
THE COMMONWEALTH OF VIRGINIA
DEPARTMENT OF GENERAL SERVICES
AND
BLOSSMAN GAS, INC.**

This MODIFICATION # 2 is an Agreement between the Commonwealth of Virginia, Department of General Services, hereinafter referred to as "State" or "Commonwealth" or "DGS" and Blossman Gas, Inc., hereinafter referred to as "Contractor", relating to Contract PPEA-SOA 2011-07-22-AA, with an effective date of October 2, 2012, hereinafter referred to as the "Contract" or "Agreement". This Modification # 2 is hereby incorporated into and made an integral part of Contract PPEA-SOA 2011-07-22-AA.

The purpose of this Modification #2 is to (1) document both parties' agreement to replace and update Exhibit F, entitled "*Pricing for Vehicle Conversion Services*" and (2) to document revisions and additions to the Terms and Conditions as required by changes to Virginia laws and procurement policies. Changes are effective immediately upon the final execution of this Modification #2.

REFERENCE: Contract PPEA-SOA 2011-07-22-AA, Exhibit D, General Term and Condition #9, entitled "Changes to the Contract":

- 1) Exhibit F, entitled "Pricing for Vehicle Conversion Services" is hereby replaced with the attached updated and revised Exhibit F, attached hereto and incorporated herein. The replacement Exhibit F updates pricing for bi-fuel PRINS Vapor Sequential Injection (VSI) Systems. Exhibit F previously incorporated is hereby deleted, and made null and void.
- 2) Revisions and additions to Terms and Conditions of Contract PPEA-SOA 2011-07-22-AA, as required by regulatory changes:

A. General Term and Condition #9, entitled "Changes to the Contract", revised to now read:

Changes can be made to the contract in any of the following ways:

1. The parties may agree in writing to modify the terms, conditions, or scope of the contract. Any additional goods or services to be provided shall be of a sort that is ancillary to the contract goods or services, or within the same broad product or service categories as were included in the contract award. Any increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt, unless the contractor intends to claim an adjustment to compensation, schedule, or other contractual impact that would be caused by complying with such notice, in which case the contractor shall, in writing, promptly notify the Purchasing Agency of the adjustment to be sought, and before proceeding to comply with the notice, shall await the Purchasing Agency's written decision affirming, modifying, or revoking the prior written notice. If the Purchasing Agency decides to issue a notice that requires an adjustment to compensation, the contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:

- a. By mutual agreement between the parties in writing; or
- b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or
- c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the

contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

B. General Term and Condition #14, entitled “eVA Business-To-Government Vendor Registration”, revised to now read:

eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION, CONTRACTS, AND

ORDERS: The eVA Internet electronic procurement solution, website portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution by completing the free eVA Vendor Registration. All bidders or offerors must register in eVA and pay the Vendor Transaction Fees specified below; failure to register will result in the bid/proposal being rejected.

Vendor transaction fees are determined by the date the original purchase order is issued and the current fees are as follows:

a. For orders issued July 1, 2011 thru December 31, 2013, the Vendor Transaction Fee is:

(i) DMBE-certified Small Businesses: 0.75%, capped at \$500 per order.

(ii) Businesses that are not DMBE-certified Small Businesses: 0.75%, capped at \$1,500 per order.

b. For orders issued January 1, 2014 and after, the Vendor Transaction Fee is:

(i) DMBE-certified Small Businesses: 1%, capped at \$500 per order.

(ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at \$1,500 per order.

For orders issued prior to July 1, 2011 the vendor transaction fees can be found at www.eVA.virginia.gov.

The specified vendor transaction fee will be invoiced, by the Commonwealth of Virginia Department of General Services, approximately 30 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes.

C. General Term and Condition #12, entitled Insurance”, revised to now read:

By signing and submitting a bid or proposal under this solicitation, the bidder or offeror certifies that if awarded the contract, it will have the following insurance coverage at the

time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The bidder or offeror further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:

1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.
2. Employer's Liability - \$100,000.
3. Commercial General Liability - \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
4. Automobile Liability - \$1,000,000 combined single limit. (Required only if a motor vehicle not owned by the Commonwealth is to be used in the contract. Contractor must assure that the required coverage is maintained by the Contractor (or third party owner of such motor vehicle.)

Profession/Service

Limits

Accounting	\$1,000,000 per occurrence, \$3,000,000 aggregate
Architecture	\$2,000,000 per occurrence, \$6,000,000 aggregate
Asbestos Design, Inspection or Abatement Contractors	\$1,000,000 per occurrence, \$3,000,000 aggregate
Health Care Practitioner (to include Dentists, Licensed Dental Hygienists, Optometrists, Registered or Licensed Practical Nurses, Pharmacists, Physicians, Podiatrists, Chiropractors, Physical Therapists, Physical Therapist Assistants, Clinical Psychologists, Clinical Social Workers, Professional Counselors, Hospitals, or Health Maintenance Organizations.)	\$1,725,000 per occurrence, \$3,000,000 aggregate

(Limits increase each July 1 through fiscal year 2031, as follows:

July 1, 2013 - \$2,100,000, July 1, 2014 - \$2,150,000.

This complies with *Code of Virginia* § 8.01-581.15.

Insurance/Risk Management	\$1,000,000 per occurrence, \$3,000,000 aggregate
Landscape/Architecture	\$1,000,000 per occurrence, \$1,000,000 aggregate
Legal	\$1,000,000 per occurrence, \$5,000,000 aggregate
Professional Engineer	\$2,000,000 per occurrence, \$6,000,000 aggregate
Surveying	\$1,000,000 per occurrence, \$1,000,000 aggregate

D. Special Term and Condition #18, entitled “Advertising”: **deleted.**

E. Special Term and Condition #23, entitled “Delivery Notification”. Due to an error in the numbering of Special Terms and Conditions, this clause is now Special Term and Condition 40. The conditions of this clause have not changed.

F. General Term and Condition #39, “e-Verify Program” is hereby incorporated into and made an integral part of Contract PPEA-SOA 2011-07-22-AA, which reads:

EFFECTIVE 12/1/13. Pursuant to *Code of Virginia*, §2.2-4308.2., any employer with more than an average of 50 employees for the previous 12 months entering into a contract in excess of \$50,000 with any agency of the Commonwealth to perform work or provide services pursuant to such contract shall register and participate in the E-Verify program to verify information and work authorization of its newly hired employees performing work pursuant to such public contract. Any such employer who fails to comply with these provisions shall be debarred from contracting with any agency of the Commonwealth for a period up to one year. Such debarment shall cease upon the employer’s registration and participation in the E-Verify program. If requested, the employer shall present a copy of their Maintain Company page from E-Verify to prove that they are enrolled in E-Verify.

The foregoing is the complete and final expression of the parties’ agreement to modify Contract PPEA-SOA 2011-07-22-AA and cannot be modified, except by a writing signed by the duly authorized representatives of both parties.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

BLOSSMAN GAS, INC

BY:

David Finder

NAME:

(PRINTED)

DAVID FINDER

TITLE:

NATIONAL Energy
Programs Manager

DATE:

11/19/2013

COMMONWEALTH OF VIRGINIA

BY:

K.C. McLaughlin

NAME:

(PRINTED)

K.C. McLaughlin

TITLE:

Acting Director, DGS Procurement

DATE:

11/20/2013

Contractor agrees to provide aftermarket vehicle conversion services for vehicles purchased by Public Bodies. Conversion kits are available from various manufacturers.

1. Aftermarket conversions will only be done on vehicles in which contractor or manufacturer of record holds EPA certifications. Converted vehicles will meet U.S. Government Standards for sale in the Commonwealth of Virginia. EPA Emissions Certification is available upon request. A listing of EPA certified vehicle conversions will be maintained and updated on Contractors or subcontractor websites:

- www.allianceautogas.com
- www.roushcleanteach.com
- www.cleanfuelusa.com

2. Warranty: Vehicle conversions shall not impact applicable manufacturer warranties upon the vehicles. Contractor warrants that all materials and equipment related to a vehicle conversion shall be fully guaranteed against defects in material, workmanship, and operate in accordance with all original equipment manufacturer (OEM) operating standards and performance specifications for a period of three (3) years or 30,000 miles, whichever comes first, following the date the converted vehicle is received by the Public Body from the Contractor after the vehicle conversion is completed. Should any defect be noted by the Public Body, then the Public Body will notify the Contractor of such defect or non-conformance. Such notification will state that the Contractor shall replace or correct the defect or non-conformance issue. The Contractor shall correct or replace equipment, at no cost to the Public Body, which shall be subject to all provisions of this clause to the same extent as the equipment initially delivered. If the Contractor refuses to replace or correct the deficiency, or fails to replace or correct after three tries, then the Public Body may have the equipment corrected or replaced with similar items and charge the Contractor for the costs.

3. Vehicle Publications: The Contractor must furnish the following with each conversion (1 copy each per vehicle):

- New Vehicle Warranty Information Manual
- New Vehicle Owner's Manual
- Manufacturer's Statement of Origin (MSO)
- Delayed Warranty Start Form, and any other such documents as necessary for delivery

4. Vehicle Delivery Schedule: The Public Body and Contractor shall discuss and develop a delivery schedule for completion of all conversion services prior to issuance of a purchase order.

5. Pricing includes shipping/transportation, pick-up from the Public Body's site and delivery to the Contractor's conversion site, then transport back to the Public Body site once conversion is complete. Pricing also includes all labor for the conversion, as well as labor, parts, and materials to install and make operational the conversion to comply with all vehicle warranty requirements and specifications.

6. Bi-fuel Prins Vapor Sequential Injection Conversions: The bi-fuel PRINS Vapor Sequential Injection System is standard priced \$6,400 (July 1, 2013). To help meet the needs of the Commonwealth, Contractor agrees to provide bi-fuel PRINS Vapor Sequential Injection (VSI) Systems purchased during the Commonwealth's 2014 fiscal year (beginning July 1, 2013 and ending June 30, 2014) at the rates listed below. This pricing is available for vehicles less than or equal to 9,500 GTW.

MODIFICATION #2

SYSTEM	PRICE
Prime VSI (hi-fuel) systems for various vehicle platforms as listed at http://www.allianceautogas.com/certifications	
*Includes any Prins VSI Conversion system with any tank configuration F.O.B. to any conversion center or Fleet Customer.	1. Parts: \$4,100.00 2. Labor: Actual cost as billed to Blossman Gas. 3. Copies of actual invoices to be provided to purchasing entities. 4. Standard Kit: \$5,600.00 5. Additional Charge for V10 Engine with Aluminum Intake: \$200.00 6. Additional Charge for Chevrolet Impala: \$200.00 7. Additional Charge for Chevrolet Caprice \$400.00

* This provides an allowance for conversion centers to charge \$1,500.00 on standard vehicle installs.

* If lift-gate at delivery location is required, there will be an additional \$100.00 charge.

7. Roush Clean Tech conversions:

(a) Ford E-150/250/350 E-series Passenger & Cargo Vans with gaseous prep package (91G) already installed

(1) 2009 & newer model year

(2) 5.4L 2V engine

(3) Pricing for conversion:

SYSTEM	PRICE
<ul style="list-style-type: none"> E-150/250/350 to 25 usable gallon mid-ship tank or 46 Gallon interior 	\$10,950.00
OR	
<ul style="list-style-type: none"> Ford SRW cutaway with 9600 GVWR 	

(4) Comments:

i. The Ford E-150/250/350 passenger & cargo van will be replaced with the full sized Ford Transit van in the fall of 2013. Contractor will offer a dedicated liquid propane conversion for the full sized Transit van that will be available at Ford's launch of the vehicle. Contractor will continue to offer the conversion package for the E-150/250/350 after the introduction of the full sized Transit van.

ii. Pricing for the liquid propane injection system for the full sized Transit van will be available in summer of 2013. At that time, the Department and Contractor will negotiate a price for the injection system.

(b) Ford F-250/350 F-series pick-up trucks and chassis cabs with gaseous prep package:

(1) 2012 & newer model year

(2) 6.2L V8 engine

(3) Pricing for conversion:

SYSTEM	PRICE
F-250/350 to 23 usable gallon mid-ship tank	\$11,050.00
F-250/350 to 43 usable gallon in-bed/service body tank	\$10,350.00

(c) Ford E-450 Dual Rear Wheel Cutaway with gaseous prep package (91G):

(1) 2009 & newer model year

(2) 6.8L 2V V10 engine

(3) Pricing for conversion:

SYSTEM	PRICE
<ul style="list-style-type: none">E450 to 41 usable gallon (aft rear axle & below frame rail) <p>OR</p> <ul style="list-style-type: none">Micro Bird Type A school bus	\$14,050.00

(4) Comments:

- i. System will work with 158", 176" or stretched wheelbase applications
- ii. System will work with dual axle applications (i.e. shuttle buses)
- iii. System qualifies for FTA funding

- (d) Ford 2011 & newer F-450/550 chassis cabs with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.
- (e) Ford 2012 & newer F-650 chassis cab with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.
- (f) Roush CleanTech Liquid Propane Injection System is Ford Alt Fuel QVM approved. The base Ford vehicle warranty remains in effect and Blossman will provide the RCT warranty on propane fuel system components.
- (g) Ford ship-thru is available on all products

8. Clean Fuel USA conversions:
GM vehicle after-market conversions:

SYSTEM	PRICE
GM 4500 (aftermarket conversion)	\$10,500.00- installed in vehicles which already have the requisite hardened valves. Additional \$3,000.00 for vehicles that require hardening of valves that require hardening of valves prior to conversion.
Additional vehicle makes and models (e.g. school bus model)	To be agreed upon by Contactor and the Department

9. Initial Conversions for Department

Upon execution of the Comprehensive Agreement, the Contractor shall provide conversion services for two (2) 2012 Ford F-250 (6.2L V8) vehicles provided by the Department. Conversions shall be completed 90 days after the receipt by the Contractor of an order from the Department to proceed with the conversion.

- (a) The Office of Fleet Management Services shall be responsible for the transportation of the two vehicles to the Contractor's conversion site.
- (b) The Contractor shall complete the conversions, transport the vehicles to the Office of Fleet Management in Richmond, Virginia, and provide training on the use of the vehicles.
- (c) Vehicles may be either converted to bi or mono fuel solutions. This will be at the Contractor's discretion.
- (d) Price to the Department for the Contractor to complete conversion for these two Ford F-250 vehicles shall not exceed \$3,000 per vehicle.

**MODIFICATION # 1
TO
CONTRACT NUMBER PPEA-SOA 2011-07-22-AA
BETWEEN
THE COMMONWEALTH OF VIRGINIA
DEPARTMENT OF GENERAL SERVICES
AND
BLOSSMAN GAS, INC.**

This MODIFICATION # 1 is an Agreement between the Commonwealth of Virginia, Department of General Services, hereinafter referred to as "State" or "Commonwealth" or "DGS," and Blossman Gas, Inc., hereinafter referred to as "Contractor," relating to Contract PPEA-SOA 2011-07-22-AA, with an effective date of October 2, 2012, hereinafter referred to as the "Contract" or "Agreement." This Modification # 1 is hereby incorporated into and made an integral part of Contract PPEA-SOA 2011-07-22-AA.

The purpose of this Modification # 1 is to document both parties' agreement to replace and update Exhibit F, entitled "*Pricing for Vehicle Conversion Services*." Changes are effective immediately upon the final execution of this Modification # 1.

Reference: Contract PPEA-SOA 2011-07-22-AA, Exhibit D 9, entitled "CHANGES TO THE CONTRACT."

Exhibit F of the referenced Agreement, entitled "*Pricing for Vehicle Conversion Services*," is hereby replaced with the attached updated and revised Exhibit F, attached hereto and incorporated herein. The replacement Exhibit F updates options and pricing for bi-fuel PRINS Vapor Sequential Injection (VSI) Systems. Exhibit F previously incorporated is hereby deleted, and made null and void.

The foregoing is the complete and final expression of the parties' agreement to modify Contract PPEA-SOA 2011-07-22-AA and cannot be modified, except by a writing signed by the duly authorized representatives of both parties.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

BLOSSMAN GAS, INC.

By: David M. Finder

Name: DAVID M. FINDER

Title: National Energy Programs Mgr.

Date: 8/23/2013

COMMONWEALTH OF VIRGINIA

By: Robert E. Gleason

Name: Robert E. Gleason

Title: Director, DGS Procurement

Date: 8/26/2013

Exhibit F

Pricing for Vehicle Conversion Services

Contractor agrees to provide aftermarket vehicle conversion services for vehicles purchased by Public Bodies. Conversion kits are available from various manufacturers.

1. Aftermarket conversions will only be done on vehicles in which contractor or manufacturer of record holds EPA certifications. Converted vehicles will meet U.S. Government Standards for sale in the Commonwealth of Virginia. EPA Emissions Certification is available upon request. A listing of EPA certified vehicle conversions will be maintained and updated on Contractors or subcontractor websites:

- www.allianceautogas.com
- www.roushcleanteach.com
- www.cleanfuelusa.com

2. **Warranty:** Vehicle conversions shall not impact applicable manufacturer warranties upon the vehicles. Contractor warrants that all materials and equipment related to a vehicle conversion shall be fully guaranteed against defects in material, workmanship, and operate in accordance with all original equipment manufacturer (OEM) operating standards and performance specifications for a period of three (3) years or 30,000 miles, whichever comes first, following the date the converted vehicle is received by the Public Body from the Contractor after the vehicle conversion is completed. Should any defect be noted by the Public Body, then the Public Body will notify the Contractor of such defect or non-conformance. Such notification will state that the Contractor shall replace or correct the defect or non-conformance issue. The Contractor shall correct or replace equipment, at no cost to the Public Body, which shall be subject to all provisions of this clause to the same extent as the equipment initially delivered. If the Contractor refuses to replace or correct the deficiency, or fails to replace or correct after three tries, then the Public Body may have the equipment corrected or replaced with similar items and charge the Contractor for the costs.

3. **Vehicle Publications:** The Contractor must furnish the following with each conversion (1 copy each per vehicle):

- New Vehicle Warranty Information Manual
- New Vehicle Owner's Manual
- Manufacturer's Statement of Origin (MSO)
- Delayed Warranty Start Form, and any other such documents as necessary for delivery

4. **Vehicle Delivery Schedule:** The Public Body and Contractor shall discuss and develop a delivery schedule for completion of all conversion services prior to issuance of a purchase order.

5. Pricing includes shipping/transportation, pick-up from the Public Body's site and delivery to the Contractor's conversion site, then transport back to the Public Body site once conversion is complete. Pricing also includes all labor for the conversion, as well as labor, parts, and materials to install and make operational the conversion to comply with all vehicle warranty requirements and specifications.

6. **Bi-fuel Prins Vapor Sequential Injection Conversions:** The bi-fuel PRINS Vapor Sequential Injection System is standard priced \$6,400 (July 1, 2013). To help meet the needs of the Commonwealth, Contractor agrees to provide bi-fuel PRINS Vapor Sequential Injection (VSI) Systems purchased during the Commonwealth's 2014 fiscal year (beginning July 1, 2013 and ending June 30, 2014) at the rates listed below. This pricing is available for vehicles less than or equal to 9,500 GTW.

SYSTEM		PRICE
Prins VSI (bi-fuel) system for various vehicle platforms as listed at http://www.allianceautogas.com/certifications		
V6 Engine Platform	<ul style="list-style-type: none"> Parts: \$4,400.00 Labor: Actual cost as billed to Blossman Gas. Copies of actual invoices to be provided to purchasing entities. Total conversion cost not to exceed \$5,800.00 	
V8 Engine Platform	<ul style="list-style-type: none"> Parts: \$4,600.00 Labor: Actual cost as billed to Blossman Gas. Copies of actual invoices to be provided to purchasing entities. Total conversion cost not to exceed \$6,000.00 	
V10 Engine Platform	<ul style="list-style-type: none"> Parts: \$4,700.00 Labor: Actual cost as billed to Blossman Gas. Copies of actual invoices to be provided to purchasing entities. Total conversion cost not to exceed \$6,200.00 	

7. **Roush Clean Tech conversions:**

- (a) Ford E-150/250/350 E-series Passenger & Cargo Vans with gaseous prep package (91G) already installed
- (1) 2009 & newer model year
 - (2) 5.4L 2V engine
 - (3) Pricing for conversion

SYSTEM	PRICE
<ul style="list-style-type: none"> E-150/250/350 to 25 usable gallon mid-ship tank or 46 Gallon interior tank <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> Ford SRW cutaway with 9600 GVWR 	\$10,950

(4) Comments:

- i. The Ford E-150/250/350 passenger & cargo van will be replaced with the full sized Ford Transit van in the fall of 2013. Contractor will offer a dedicated liquid propane conversion for the full sized Transit van that will be available at Ford's launch of the vehicle. Contractor will continue to offer the conversion package for the E-150/250/350 after the introduction of the full sized Transit van.
- ii. Pricing for the liquid propane injection system for the full sized Transit van will be available in summer of 2013. At that time, the Department and Contractor will negotiate a price for the injection system.

(b) Ford F-250/350 F-series pick-up trucks and chassis cabs with gaseous prep package :

- (1) 2012 & newer model year
- (2) 6.2L V8 engine
- (3) Pricing for conversion

SYSTEM	PRICE
F-250/350 to 23 usable gallon mid-ship tank	\$11,050
F-250/350 to 43 usable gallon in-bed/service body tank	\$10,350

(c) Ford E-450 Dual Rear Wheel Cutaway with gaseous prep package (91G):

- (1) 2009 & newer model year
- (2) 6.8L 2V V10 engine
- (3) Pricing for conversion

SYSTEM	PRICE
<ul style="list-style-type: none"> E450 to 41 usable gallon (aft rear axle & below frame rail) <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> Micro Bird Type A school bus 	\$14,050

(4) Comments:

- i. System will work with 158", 176" or stretched wheelbase applications
 - ii. System will work with dual a/c applications (i.e. shuttle buses)
 - iii. System qualifies for FTA funding
- (d) Ford 2011 & newer F-450/550 chassis cabs with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.
- (e) Ford 2012 & newer F-650 chassis cab with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.
- (f) Roush CleanTech Liquid Propane Injection System is Ford Alt Fuel QVM approved. The base Ford vehicle warranty remains in effect and Blossman will provide the RCT warranty on propane fuel system components.
- (g) Ford ship-thru is available on all products

8. **Clean Fuel USA conversions:**

GM vehicle after-market conversions:

SYSTEM	PRICE
GM 4500 (aftermarket conversion)	<p>\$10,500 – installed in vehicles which already have the requisite hardened valves.</p> <p>Additional \$3,000 for vehicles that require hardening of valves prior to conversion.</p>
Additional vehicle makes and models (e.g. school bus model)	To be agreed upon by Contractor and the Department

9. **Initial Conversions for Department**

Upon execution of the Comprehensive Agreement, the Contractor shall provide conversion services for two (2) 2012 Ford F-250 (6.2L V8) vehicles provided by the

Department. Conversions shall be completed 90 days after the receipt by the Contractor of an order from the Department to proceed with the conversion.

- (a) The Office of Fleet Management Services shall be responsible for the transportation of the two vehicles to the Contractor's conversion site.
- (b) The Contractor shall complete the conversions, transport the vehicles to the Office of Fleet Management in Richmond, Virginia, and provide training on the use of the vehicles.
- (c) Vehicles may be either converted to bi or mono fuel solutions. This will be at the Contractor's discretion.
- (d) Price to the Department for the Contractor to complete conversion for these two Ford F-250 vehicles shall not exceed \$3,000 per vehicle.

COMPREHENSIVE AGREEMENT
between
COMMONWEALTH OF VIRGINIA,
DEPARTMENT OF GENERAL SERVICES

and

BLOSSMAN GAS, INC.

September 4, 2012

Contract No.: PPEA-SOA 2011-07-22-AA

COMPREHENSIVE AGREEMENT

THIS COMPREHENSIVE AGREEMENT (the “Agreement”) dated August 1, 2012, is made and entered into by and between **THE COMMONWEALTH OF VIRGINIA, DEPARTMENT OF GENERAL SERVICES** (hereinafter referred to as “the Commonwealth” or “Department” or “DGS” or “Owner”), and **BLOSSMAN GAS, INC.** a Mississippi corporation with a principal headquarters location at 809 Washington Avenue, Ocean Springs, MS 39564 (hereinafter referred to as the “Contractor” or “Alliance”).

RECITALS

- R-1. WHEREAS, Virginia Code § 2.2-1176, paragraph B., requires the establishment of a plan providing for the replacement of state-owned or operated vehicles with vehicles that operate using natural gas, electricity, or other alternative fuels, to the greatest extent practicable, considering available infrastructure, the location and use of vehicles, capital and operating costs, and potential for fuel savings;
- R-2. WHEREAS, Commonwealth of Virginia, Executive Order No. 36 (2011), hereinafter referred to as EO 36, titled “Moving Toward Alternative Fuel Solutions for State-Owned Vehicles”, outlines a plan for moving state-owned vehicles to a statewide alternative fuel solution. EO 36 directs, among other things, that the Department of General Services (DGS) and the Department of Mines, Minerals and Energy (DMME), release a Public-Private Partnership solicitation, in accordance with the Public-Private Education Facilities and Infrastructure Act (PPEA) of 2002 (Virginia Code § 56-575.1 et seq.), to solicit proposals from the private sector to determine if a practicable and financially viable alternative fuel conversion solution is feasible considering available infrastructure, the location and use of vehicles, capital and operating costs, and potential for fuel savings;

- R-3. WHEREAS, on July 23, 2011, solicitation number: PPEA-SOA 2011-07-22 was posted on the Commonwealth of Virginia's electronic procurement website (eVA), soliciting proposals from the private sector, pursuant to the PPEA, for determining the feasibility for converting state-owned vehicles to alternative fuels;
- R-4. WHEREAS, on October 21, 2011, fourteen (14) PPEA conceptual proposals were received by the Commonwealth, and evaluated;
- R-5. WHEREAS, two vendors, including Alliance, were selected to move to the subsequent detailed proposal stage (Part 2) of the PPEA process in accordance with the established evaluation criteria of the PPEA;
- R-6. WHEREAS, on January 31, 2012, Alliance submitted its detailed stage proposal to the Commonwealth for its consideration;
- R-7. WHEREAS, on February 1, 2012, the DGS hand-carried a copy of the Alliance detailed proposal to the Public-Private Partnership Advisory Commission pursuant to Virginia Code § 30-279 et seq. No response was received by the Commission to DGS;
- R-8. WHEREAS, on or about February 20, 2012, DGS deemed the detailed stage proposal sufficient and began negotiations with Alliance;
- R-9. WHEREAS, Alliance desires to provide the goods and services to the Commonwealth on the terms and conditions contained herein, incorporating the scope of goods and services requested in solicitation number: PPEA-SOA 2011-07-22;
- R-10 WHEREAS, the proposed Comprehensive Agreement has been delivered to the requisite individuals identified in Virginia Code § 30-280(F);

NOW THEREFORE, for and in consideration of the mutual promises, conditions and covenants herein set forth, the parties agree as follows:

1. **PURPOSE.** In furtherance of the Commonwealth’s goals as expressed in Va. Code Sec. 2.2-1176(B) and EO36, this Agreement provides information which allows public bodies to analyze the feasibility of converting vehicles to propane fuel, and provides the means to make that conversion. The Agreement addresses the needs of public bodies with regard to fuel, vehicles, and fueling stations. With the execution of this comprehensive agreement, Public Bodies can move forward with evaluating options for the conversion of their gasoline and diesel vehicle fleets to propane powered vehicles.

“Propane” or “Autogas” as used in this Agreement refers to liquefied petroleum gas (LPG) used for fueling vehicles. Propane is an odorless hydrocarbon gas (C₃H₈) that when pressurized turns to a liquid. Propane will be grade HD5 with a minimum of 90% Propane, and a maximum of 5% propylene. The vehicles addressed in this Agreement include any car, truck, bus, or other motorized vehicle or equipment that uses propane as a primary or secondary fuel source, and may be either factory-equipped for propane, or converted “after market” for propane operation. The propane infrastructure includes material, equipment, hardware, and any other tangible item, excluding fuel management software and hardware, necessary to receive, maintain, and dispense propane into a vehicle.

2. **INCORPORATION OF DUTIES OF “PRIVATE ENTITY” UNDER PPEA.** The duties of a “Private Entity” under Va. Code § 56-575.4(A) are hereby incorporated into this Agreement and imposed upon the Contractor. Contractor shall comply with the General Conditions, as modified, attached hereto and incorporated herein at Exhibit D.
3. **AUTHORIZED USERS.** All public bodies are authorized to purchase under this Agreement. For purposes of this Agreement, “Public Body” means any legislative, executive or judicial body, agency, office, department, authority, post, commission, committee, institution, board or political subdivision created by law to exercise some sovereign power or to perform some governmental duty, and shall include any

metropolitan planning organization or planning district commission which operates exclusively within the Commonwealth of Virginia.

Sales to the “General Public,” which includes individual private citizens and private sector businesses, are not governed by this Agreement. Contractor’s infrastructure placed on property owned by a public body authorized to purchase services from this Agreement shall be made available to the general public to purchase propane gas, as agreed to between the public body and Contractor.

4. GENERAL SCOPE.

(a) This Agreement establishes the terms and conditions under which Contractor shall make available to any Public Body the following:

- Propane for vehicle fueling
- Conversion of user-owned vehicle for propane operation
- Fueling infrastructure

(b) Fuel pricing is set forth in Exhibit E, and is comprised of direct fuel costs, transportation costs, and a contractor fee. The transportation costs and contractor fee may be evaluated annually.

(c) Pricing for conversion services is found in Exhibit F. Exhibit F will be modified as additional OEM and conversion solutions are made available. Conversions hereunder will not invalidate any manufacturer warranty covering the vehicle.

(d) Propane fueling infrastructure is available at the Contractor's locations identified in Exhibit H. The parties may agree to install future sites pursuant to Exhibit H. Contractor will provide training to Public Bodies, at no cost, on the use of the propane fueling infrastructure. The Commonwealth commits to working with all of its agencies and institutions to utilize this contract.

(e) The Contractor has offered E-85 refueling infrastructure and E-85 fuel solutions in its conceptual proposal. The Department and Contractor partnership to develop feasible and cost effective alternative fuel solutions will include the evaluation of E-85 solutions. Should the Department or public bodies authorized to procure services under this agreement be interested in pursuing E-85 solution opportunities with the Contractor, public bodies and the Contractor may do so with the approval of the Department. Any E-85 solutions agreed to between the Department or a public body and the Contractor may be added to pursuant to the modification terms and conditions found in this Agreement.

(f) All other training (vehicle maintenance, first responder, other), as documented in the Contractor's conceptual and detailed proposals, shall be provided at no additional cost once a Public Body begins to purchase fuel, or purchase vehicle conversions under this Agreement.

(g) The Department and Contractor will work together to market, promote, and identify opportunities to expand Propane solutions to Public Bodies across the Commonwealth of Virginia. Each party will be responsible for its costs associated with such activities.

(h) The Department and Contractor shall conduct monthly meetings, either face-to-face or via teleconference, to discuss status of deployed propane solutions, identify opportunities for implementing propane solutions across the Commonwealth of Virginia, and address any other matters of interest to either party related to the terms and conditions of this Agreement.

5. INITIAL SERVICES.

Upon final execution of this Agreement:

(a) All pricing for goods and services shall be available to Public Bodies.

(b) The Contractor shall begin the work necessary to install propane fueling infrastructure at 2400 W. Leigh Street, Richmond, VA 23220. The Contractor and Department shall work together and make all reasonable efforts to have the propane site installed and operational no later than September 30, 2012.

(c) The Contractor shall provide conversion services to the Department for two 2012 Ford F-250 vehicles to operate on propane and shall be completed 90 days after the receipt by the Contractor of an order from the Department to proceed with the conversion. Cost for the conversion of these vehicles shall be as documented in Exhibit F.

6. **DEPARTMENT'S REPRESENTATIONS.** The Department hereby represents and warrants to the Contractor as follows:

(a) The Department is an agency of the executive branch of the Commonwealth of Virginia and has full power, right and authority to execute, deliver and perform its obligations under, in accordance with and subject to the terms and conditions of this Agreement.

(b) Each person executing this Agreement on behalf of the Department is duly authorized to execute each such document on behalf of the Department.

(c) Neither the execution and delivery by the Department of this Agreement and any other documents executed concurrently herewith to which the Department is a party, nor the consummation of the transactions contemplated hereby or thereby, is in conflict with or will result in a default under or violation of any other agreements or instruments to which it is a party or by which it is bound.

(d) There is no action, suit, proceeding, investigation or litigation pending and served on the Department which challenges the Department's authority to execute, deliver or perform, or the validity or enforceability of, this Agreement and the other

related documents to which the Department is a party, or which challenges the authority of the Department official executing this Agreement or the other related documents.

(e) Department shall provide full and timely information regarding requirements for and limitations on the goods and/or services requested under this Agreement, and shall render decisions in a timely manner so as to avoid delay in the Contractor's services, and shall fully and timely perform its obligations under this Agreement.

(f) Department shall also:

(1) Pay all sums due from it to Contractor as and when provided herein;

(2) Provide qualified personnel necessary to perform the Department's duties hereunder;

(3) Assist the Contractor in obtaining such technical data as may be necessary for the Contractor to provide the goods and/or services requested under this Agreement;

(4) Appoint one or more individuals who shall be authorized to act on behalf of Department, with whom Contractor may consult at all reasonable times, and whose instructions, requests, and decisions will be binding upon Department as to all matters pertaining to this Agreement and the performance of the parties hereunder;

(5) Perform its obligations, responsibilities and duties described in this Agreement;

(6) Provide any information as required to support the Project Schedule.

7. **CONTRACTOR'S REPRESENTATIONS AND WARRANTIES.** Contractor

hereby represents and warrants to the Department as follows:

(a) Contractor is a duly organized and validly existing corporation, created under the laws of the State of Mississippi, has the requisite power and it, or through or by its Contractors, subcontractors, or consultants, has or will obtain all required licenses to carry on its present and proposed activities, and has full power, right and authority to execute and deliver this Agreement and the other related documents to which Contractor is a party and to perform each and all of the obligations of Contractor provided for herein and therein.

(b) Contractor has taken or caused to be taken all requisite action to authorize the execution and delivery of, and the performance of its obligations under, this Agreement and the other related documents to which Contractor is a party.

(c) Each person executing this Agreement or any other related document on behalf of Contractor has been or will at such time be duly authorized to execute each such document on behalf of Contractor.

(d) Neither the execution and delivery by Contractor of this Agreement and the other related documents to which Contractor is a party, nor the consummation of the transactions contemplated hereby or thereby, is in conflict with or will result in a default under or a violation of the governing instruments of Contractor or any other agreements or instruments to which it is a party or by which it is bound.

(e) There is no action, suit, proceedings, investigation or litigation pending and served on Contractor which challenges Contractor's authority to execute, deliver or perform, or the validity or enforceability of, this Agreement and the other related documents to which Contractor is a party, or which challenges the authority of the Contractor official executing this Agreement or the other related documents; and Contractor has disclosed to the Department any pending and unserved or threatened

action, suit, proceeding, investigation or litigation with respect to such matters of which Contractor is aware.

(f) The representations and warranties of the Contractor contained herein shall survive expiration or termination of this Agreement.

8. **PERIODIC REPORTING.** The Contractor shall file periodic reports with the Department for the quarters ending March 31, June 30, September 30, and December 31 of each year. The reports shall include, but not be limited to, the following information:.

(a) Number of gallons, and site location, of propane dispensed to Public Bodies under this Agreement

(b) Number of vehicle conversions purchased, and by what Public Body, under this Agreement

(c) Marketing opportunities, discussions the Contractor has with Public Bodies for the purchase of goods and/or services under this Agreement

(d) New OEM and/or vehicle conversions available

(e) The Contractor's six-month forecast of propane fuel pricing based on the Contractor's market research

9. **SMALL BUSINESS PARTICIPATION.** The goal of the Commonwealth is that 40% of its purchases be made from small businesses, which includes any discretionary spending in prime contracts and sub-contracts. The parties acknowledge that this Agreement has limited subcontracting opportunities, but the Contractor is encouraged to look for opportunities to subcontract to small businesses certified as such by the Department of Minority Business Enterprise (DMBE).

During the term of this Agreement, Contractor agrees to provide an annual report on its use of small businesses, as well as its use of businesses certified by DMBE as minority-owned or women-owned. The report shall contain the following information: Prime

Contractor Tax ID, Prime Contractor Name, ID, Subcontractor Tax ID; Subcontractor Name; Transaction Date; Transaction Type; Contract ID, and; Amount.

This report will specify actual dollars expended, by month, with such businesses under this Contract, in an electronic .XLS spreadsheet format as follows:

Prime Tax ID	Prime Contractor	Subcontractor Tax ID	Subcontractor Name	Transaction Date	Transaction Type	Contract ID	Amount
123456789	Alliance	123456789	ABC Transport, Inc	7/1/2012	Transportation Service	PPEA-SOA 2011-07-22-AA	\$1496.12
123456789	Alliance	321654987	XYZ Trucking, Inc.	7/1/2012	Transportation Services	PPEA-SOA 2011-07-22-AA	\$5275.00
Total							\$6771.12

This report shall be submitted in electronic .XLS spreadsheet format via email to procurement@dgs.virginia.gov no later than the 90 days after the close of the fiscal year.

10. **NOTICES.** All notices and demands by any party to any other shall be given in writing and sent by facsimile and by a nationally recognized overnight courier, or by United States certified mail, postage prepaid, return receipt requested, and addressed as follows:

To the Department: Michael Bisogno
Director, Department of General Services, Office of Fleet Management Services
2400 w. Leigh Street
Richmond, Virginia 23220
E-mail: michael.bisogno@dgs.virginia.gov
Telephone No.: (804) 367-6526
Facsimile No.: (804) 367-8987

To Contractor: Blossman Gas, Inc.
Attention: Todd Reinke
809 Washington Avenue
Ocean Springs, MS 39564
Telephone No.: 228-875-2261
Facsimile No.: 228-875-9307

Any party may, upon prior written notice to the others, specify a different person or address for receipt of notices.

11. SUCCESSORS AND ASSIGNS.

(a) Contractor may assign or grant a security interest in its rights to payment hereunder.

(b) Contractor may not, without the prior written consent of the Department, which consent shall not be unreasonably withheld, conditioned or delayed, voluntarily or involuntarily assign, convey, transfer, pledge, mortgage or otherwise encumber its rights or interests under this Agreement, except that it may assign its interests hereunder to any parent, subsidiary, or affiliate of Contractor, provided such assignee assumes Contractor's obligations, duties and liabilities hereunder.

(c) The Department may transfer and assign its interests in this Agreement to any other Public Body as permitted by law, provided that the successor or assignee has assumed all of the Department's obligations, duties and liabilities under this Agreement and has provided Contractor with reasonable assurance of its legal and financial authority to honor and perform the same.

(d) If either party changes its name, such party agrees to promptly furnish the other party with written notice of change of name and appropriate supporting documentation.

(e) All of the terms and conditions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12. TERM. The initial term shall commence as of the execution date of this Agreement, and shall continue for a period of five (5) years (the "Initial Term"). Following the Initial Term, and upon the sole discretion of the Commonwealth, this Agreement may be renewed annually for up to five additional one-year periods. The Commonwealth will issue a written notification to the Contractor in the form of a modification approximately 90 days prior to the expiration of each term, indicating whether the renewal will be exercised.

13. **INDEPENDENT CONTRACTOR.** It is expressly understood and agreed by the parties hereto that Contractor, in performing its obligations under this Agreement, shall be deemed an independent Contractor and not an agent, employee or partner of Department.

14. **NO WAIVER.**

(a) The failure of Department or Contractor to insist upon the strict performance of any provisions of this Agreement, the failure of Department or Contractor to exercise any right, option or remedy hereby reserved, or the existence of any course of performance hereunder shall not be construed as a waiver of any provision hereof or of any such right, option or remedy or as a waiver for the future of any such provision, right, option or remedy or as a waiver of a subsequent breach thereof. The consent by one party to any act by the other party requiring such consent shall not be deemed to render unnecessary the obtaining of consent to any subsequent act for which consent is required, regardless of whether similar to the act for which consent is given.

(b) No act, delay or omission done, suffered or permitted by one party or its agents shall be deemed to waive, exhaust or impair any right, remedy or power of such party under this Agreement, or to relieve the other party from the full performance of its obligations under this Agreement.

(c) No waiver of any term, covenant or condition of this Agreement shall be valid unless in writing and signed by the obligee party.

15. **ENTIRE AGREEMENT.**

(a) THIS AGREEMENT CONSTITUTES THE ENTIRE AND EXCLUSIVE AGREEMENT BETWEEN THE PARTIES RELATING TO THE SPECIFIC MATTERS COVERED HEREIN. ALL OTHER PRIOR OR CONTEMPORANEOUS VERBAL OR WRITTEN AGREEMENTS, UNDERSTANDINGS, REPRESENTATIONS AND/OR PRACTICES RELATIVE TO THE FOREGOING ARE HEREBY SUPERSEDED, REVOKED AND RENDERED INEFFECTIVE FOR

ANY PURPOSE. THIS AGREEMENT MAY BE ALTERED, AMENDED OR REVOKED ONLY BY AN INSTRUMENT IN WRITING SIGNED BY EACH PARTY HERETO, OR ITS PERMITTED SUCCESSOR OR ASSIGNEE. NO VERBAL AGREEMENT OR IMPLIED COVENANT SHALL BE HELD TO VARY THE TERMS HEREOF, ANY STATUTE, LAW OR CUSTOM TO THE CONTRARY NOTWITHSTANDING.

(b) This Agreement may be amended, supplemented or revised by mutual written agreement of the Department and Contractor.

(c) If any provisions of this Agreement are rendered obsolete or ineffective in serving their purpose by change in law, passage of time, financing requirements or other future events or circumstances, the parties agree to negotiate in good faith appropriate amendments to or replacements of such provisions in order to restore and carry out the original purposes thereof to the extent practicable; provided, however, that neither party is obligated to agree to any amendment or replacement which would reduce its rights or enlarge its responsibilities under this Agreement in any material respect.

16. DISCLOSURES; NON-WAIVER; APPROPRIATIONS.

(a) The Contractor understands and acknowledges that Department is an agency of the Commonwealth of Virginia and with respect to tort liability for acts or occurrences involving the goods and services delivered by the Contractor under this Agreement including product liability, the Commonwealth, Department and Public Bodies are either (i) constitutionally immune (or partially immune) from suit, judgment or liability, (ii) insured, or (iii) covered by a financial plan of risk management that is in the nature of self-insurance, all as determined by applicable laws, government policies and practices.

(b) The Contractor understands and acknowledges that Department has not agreed to provide any indemnification or save harmless agreements running to the

Contractor. No provision, covenant or agreement contained in this Agreement shall be deemed to be a waiver of the sovereign immunity of the Commonwealth from tort or other liability.

(c) This Agreement shall be governed by, and construed according to, the laws of the Commonwealth of Virginia. The parties choose the City of Richmond, Virginia, as the venue for any remedial action instituted pursuant to the terms of this Agreement.

(d) Should the provisions within this Agreement pertaining to the purchase of vehicle conversions, and/or the installation of infrastructure be terminated due to non-appropriation of funds, the provisions pertaining to the purchase of fuel shall remain in effect through the remaining term of the Agreement or any extensions or renewals thereof.

17. **PUBLIC RECORDS.** Any document of which the Department obtains a copy, may be considered public records under the Virginia Public Records Act, Va. Code § 42.1-76 through § 42.1-91, or official records under the Virginia Freedom of Information Act, Va. Code § 2.2-3700 through § 2.2-3714, and as such may be subject to public disclosure. Any claim for the protection of certain records from disclosure shall be provided by the Contractor in accordance with the applicable statute. If Contractor believes that any document subject to transmittal or review by the Department under this Agreement contains proprietary information or trade secrets that are exempt or protected from disclosure, Contractor shall identify such information prior to transmittal or review. Upon the written request of either party, Contractor and Department shall mutually develop a protocol for the transmittal, review and disclosure of documents produced or obtained by Contractor so as to avoid violations of any applicable law.

Should such records become the subject of a request for public disclosure, the Department shall respond as follows:

(a) Unless Department previously notified Contractor that such material was, in the Department's opinion, not properly designated and therefore subject to disclosure, the Department will withhold requested information and notify the requester in accordance with the applicable statute. Notwithstanding the foregoing, nothing in this Section or this Agreement shall operate as or constitute a waiver or release of Contractor's rights pursuant to Va. Code § 56-575.4(G), § 2.2-3705(A)(56), or as set forth in the notices provided to the Department by Contractor.

(b) If Department intends to disclose information the Contractor has designated proprietary or confidential, the Contractor may seek to request that a Court enjoin such disclosure and the Department will not disclose the information until a final decision has been rendered by the Courts.

(c) In no event shall the Department be liable to Contractor as a result of any disclosure of such records by the Department, except as set forth in the PPEA and FOIA.

(d) If the Department's denial of a request for disclosure of records is challenged in court, Contractor shall assist the Department in its defense of the Contractor's claims of confidentiality. Alternatively, at the request of the Department, the Contractor may undertake the defense of the Contractor's claims of confidentiality in cooperation with the Department.

18. CONSTRUCTION AND INTERPRETATION OF AGREEMENT.

(a) The language in all parts of this Agreement shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any party. The parties hereto acknowledge and agree that this Agreement has been prepared jointly by the parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each party has been given the opportunity to independently review this Agreement with legal counsel, and that each party has the requisite experience and sophistication to understand, interpret and agree to

the particular language of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement shall not be interpreted or construed against the party preparing it, and instead other rules of interpretation and construction shall be utilized.

(b) If any term or condition of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by either party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties to this Agreement, and the parties hereto agree, that in lieu of each clause or provision of this Agreement that is illegal, invalid or unenforceable, the parties in good faith shall supply as a part of this Agreement an enforceable clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible.

(c) The captions of the articles, sections and subsections herein are inserted solely for convenience and under no circumstances are they or any of them to be treated or construed as part of this instrument.

(d) As used in this Agreement and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine and vice versa.

(e) This Agreement, its Exhibits and any modifications to this Agreement are intended to be complementary and consistent with each other and shall, to the maximum extent possible, be construed according to such intent.

19. **APPROVAL BY GOVERNOR A CONDITION PRECEDENT.** It shall be a condition precedent to Department's execution that this Agreement first be approved by the Governor of the Commonwealth of Virginia, or his authorized designee.

20. CONTRACT DOCUMENTS. This Agreement consists of the following documents:

- i. This executed document
- ii. Exhibit A: PPEA Solicitation Number: PPEA-SOA 2011-07-22
- iii. Exhibit B: Contractor's Conceptual Proposal, dated October 21, 2011
- iv. Exhibit C: Contractor's Detailed Proposal, dated January 31, 2012
- v. Exhibit D: Terms and Conditions
- vi. Exhibit E: Propane Fuel Pricing
- vii. Exhibit F: Propane Vehicle Pricing
- viii. Exhibit G: Propane Infrastructure and Maintenance
- ix. Any and all modifications to these documents subsequently entered into in accordance with provisions for modifications
- x. Purchase orders issued for goods and services identified herein

To the extent there is any conflict between this executed document and any exhibit, this executed document shall govern.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written, to be effective as of the final execution date, by the undersigned authorized representatives of the parties.

DEPARTMENT

COMMONWEALTH OF VIRGINIA,
DEPARTMENT OF GENERAL SERVICES

By: _____

Richard F. Sliwoski, P.E.

Its: Director

Date: _____

CONTRACTOR

BLOSSMAN GAS, INC.

By: Grant S. Westie

Title: President or CEO

Date: 8/28/12



COMMONWEALTH of VIRGINIA

Offices of the Secretary of Administration and Secretary of Natural Resources

REQUEST FOR PROPOSAL (RFP) # PPEA/SOA 2011-07-22

Pursuant to

Public-Private Education Facilities and Infrastructure Act (PPEA) - 2002

And

PPEA Guidelines Published on the Department of General Services Website:

<http://dgs.virginia.gov/PPEA/tabid/62/Default.aspx>

Commonwealth Alternative Fuel Vehicles Implementation Plan

Code of Virginia § 2.2-1176

NIGP Commodity Codes:

91800 Consulting Services

95850 Fuel Management Services

92829 Conversion of Gasoline Fuel Systems to Alternative Fuel Systems Including Maintenance and Repair Services

Issue Date: July 22, 2011 • **Conceptual (Part 1) Proposals Date/Time:** October 21, 2011

– 11:00 A.M. EST

CONTACT: See Section VIII. Contact Information.

AGENCY AND/OR LOCATION WHERE WORK WILL BE PERFORMED: All Commonwealth of Virginia Agencies, Institutions and other public bodies (collectively "Authorized Users") as defined in §2.2-4301 of the *Code of Virginia*.

PRE-PROPOSAL CONFERENCES: Optional pre-proposal conferences will be held **10:00 A.M. August 12, 2011; and, 10:00 A.M. September 23, 2011. Pre-proposal Conferences will be held in the East Reading Room of the Patrick Henry Building located at Capitol Square in Richmond, Virginia.**

CLARIFICATION OF PROJECT SCOPE: If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact Secretary of Administration, Lisa Hicks-Thomas or Deputy Secretary of Natural Resources Maureen Matsen no later than five (5) working days before the due date. Any revisions to the solicitation will be made only by an addendum issued by the Offices of the Secretary of Administration and Secretary of Natural Resources.

TERMS and CONDITIONS: Required General Terms and Conditions as published in the DGS, Division of Purchases and Supply, Agency Procurement and Surplus Property Manual <http://eva.virginia.gov/aspm-manual/aspm-manual.htm>; and other terms and conditions as determined by the Office of the Governor through negotiations should this solicitation process result in a contractual agreement(s) between the Commonwealth and a contractor(s).

The undersigned hereby offers and agrees to furnish all services in accordance with the attached signed proposal and the mandatory requirements outlined herein, or as mutually agreed upon through subsequent negotiation.

Company Name: _____

Email: _____

Address: _____

Contractor's TIN: _____

City/State/ZIP: _____

eVA Vendor ID or DUNS Number: _____

Signature: _____	State Corporation Commission ID #: _____
Printed Name: _____	Telephone: _____
Title: _____	Fax: _____
Date: _____	Cell: _____
This information below is requested for informational purposes only: Corporation _____ Partnership _____ Proprietorship _____ Individual _____ Woman Owned _____ Small Business Owned _____ Minority Owned _____	
NOTE: This public body does not discriminate against faith-based organizations in accordance with the <u>Code of Virginia</u> , §2.2-4343.1 or against an Offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.	
AWARD POSTING: Should a contract(s) result from this solicitation, the award or the announcement of the decision to award a contract will be publicly posted online at http://www.eva.virginia.gov for a minimum of ten (10) days.	

I. PURPOSE

The Commonwealth of Virginia is seeking to replace state-owned vehicles with potentially cleaner, cheaper, domestic alternative fuel vehicles. It seeks to do so in a manner that does not result in significant additional cost to the Commonwealth, and intends to be budget neutral in the implementation of any strategy that may be negotiated and selected.

In 2011, the General Assembly unanimously approved legislation proposed by the Governor, directing the establishment of a plan to replace state-owned vehicles that operate using gasoline or diesel fuel, with vehicles that operate using natural gas, electricity, or other alternative fuels. Alternative fuels include ethanol, propane, biodiesel, hydrogen and others as may be defined by alternative fuel providers or submitting entities.

The Commonwealth believes that valuable resources available in the private sector can be leveraged through a public-private partnership to help the Commonwealth achieve its goal of reducing Virginia's dependence on foreign oil while simultaneously expanding the alternative fuel and alternative vehicle markets in Virginia, and supporting the expansion of private sector businesses and creating jobs. If industry leaders in vehicle manufacturing, alternative fuel infrastructure, producers of alternative fuels and other alternative fuel experts partner with each other and with government, the Commonwealth hopes to be able to develop and implement a successful and cost-effective replacement strategy for state owned vehicles.

The Commonwealth of Virginia takes an "all-of-the-above" approach to achieving energy security recognizes the need to replace imported fuels with domestic energy in the immediate term. This effort can build a foundation for increasing development of all of Virginia's energy resources, including domestic oil, gas, agricultural, and other fuel alternatives produced in Virginia.

II. Controlling Statutes and Guidelines:

This Public-Private initiative shall proceed in accordance with the Public-Private Educational Facilities and Infrastructure Act (PPEA) of 2002 (§ [56-575.1](#) et seq.), and PPEA guidelines as published on the Commonwealth of Virginia, Department of General Services website <http://dgs.virginia.gov/PPEA/tabid/62/Default.aspx>

The Public-Private Educational Facilities and Infrastructure Act (PPEA) of 2002 (§ [56-575.1](#) et seq.), "grants responsible public entities authority to create public-private partnerships for development of a wide range of projects for public use if the public entities determine there is a need for such projects and that private involvement may provide the project in a more timely or cost-effective fashion, lead to productivity or efficiency improvements in the public entities' processes or delivery of services, considering, among other things, the probable scope, complexity or priority of the

project; risk sharing including guaranteed cost or completion guarantees; added value or debt or equity investments proposed by the private entity; or an increase in funding, dedicated revenue source or other economic benefit that would not otherwise be available."

Objectives of this public-private initiative include: reducing the Commonwealth's dependency on gasoline and diesel fuel for the operation of state-owned vehicles; reducing emissions from the operation of the Commonwealth's state-owned vehicles; expanding business opportunities within the Commonwealth for large and small businesses resulting in new jobs; limiting any budget impact of making a transition away from reliance on foreign oil, and exploring cost-efficient and cost saving strategies.

The end result of a proposal should promote a higher quality of life in Virginia through increased reliance on domestic energy resources, increased domestic economic opportunity, and reduced emissions. Plans proposed need not be restricted to state-owned vehicles. Respondents may develop plans that also include vehicles owned and operated by the Commonwealth's local governments, federal fleets, private sector fleets, and should offer benefits to those groups and to individual citizens of the Commonwealth, and visitors traveling through the Commonwealth. Through this initiative, the Commonwealth seeks innovative plans for fundamental change over the short and long term.

This document serves as an invitation to the vendor community to submit proposals that address all or some of the services presented in this solicitation. Proposals must follow the format provided in Section III. All proposals submitted in response to this document shall be considered PPEA Conceptual Stage (Part 1) proposals. Private sector teams may propose providing any variety of strategy elements, including planned conversion or purchase of vehicles, agencies, institutions or specific vehicle fleets and uses, at individual, several or all locations across the Commonwealth. The Commonwealth reserves the right to suspend the review process at any time and conclude the review process without further action or notice.

III. Proposal Responses to this PPEA Announcement shall address at a minimum:

- the Commonwealth's interest in partnerships with and among alternative fuel source providers, infrastructure developers, vehicle manufacturers, and other industry leaders/innovators to facilitate plans for alternative fuels refueling infrastructure, and alternative fuel vehicles to support the Commonwealth's vehicle pools and fleets;
- the Commonwealth's need for short (within next 2 years), mid (between 2 and 5 years), and long term (5 to 10 years) alternative fuel transition strategies;

- the state-owned vehicles and other state resources that may be available as part of a proposed public-private partnership;
- a plan for maintenance of infrastructure equipment, fuel sources, and vehicles or a means to guarantee the above will remain functional and operational for at least the operational period of the alternative fuel transition strategy proposed;
- training and certification opportunities for personnel working with alternative fuel technologies;
- strategies that will be used to rollout proposals to targeted fleets or vehicles or agencies including an implementation timeline;
- a plan for fueling for the life of the vehicles and, if a bi-fuel system is proposed, a strategy for compelling use of cleaner, cheaper domestic fuels over imported fuels when financially viable;
- how local public entities and other fleets such as federal government and business fleets might be included in a partnership or proposal to enhance the cost-effectiveness and benefits of any proposal;
- how citizens of the Commonwealth and visitors passing through the Commonwealth that operate alternative fuel vehicles might benefit from alternative fuel transition strategies proposed;
- the displacement of gasoline and diesel fuel that can be accomplished by implementation of the proposal and potential for fuel savings;
- the environmental advantages and disadvantages of the proposed strategy;
- an operational and cost feasibility analysis of implementing the proposed strategy; and,
- the economic development benefits, including job opportunities that may result from the implementation of proposed plans.

IV. PPEA Proposal Format

The following format must be followed for the submission of Conceptual Proposals:

Section 1: Qualifications and Experience (no more than 20 pages):

- a. Identify the legal structure of the firm or consortium of firms making the proposal. Discuss the qualifications and experience of the team submitting the proposal. Identify team partners as to their role on the team, i.e. alternative fuel provider, infrastructure provider, vehicle manufacturer, and other industry leaders and innovators as identified. Include experience of each team member in providing the goods or services the team member will be responsible for under the submitted proposal.
- b. Describe the experience of the firm or consortium of firms making the proposal and the key principals involved in the proposed plan including experience with plans of comparable size and complexity. Describe the length of time in business, business experience, public sector experience and other engagements of the firm or consortium of firms.
- c. For each firm, partner or major subcontractor that will be utilized in the plan, provide a statement listing all of the firm's prior plans and clients for the past 3 years with contact information for such clients (names/addresses /telephone numbers).
- d. Provide the names, addresses, and telephone numbers of persons within the firm or consortium of firms who may be contacted for further information.
- e. Identify any persons known to the proposer who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to the plan pursuant to The Virginia State and Local Government Conflict of Interest Act, Chapter 31 (§ 2.2-3100 et seq.) of Title 2.2.
- f. Provide information on the level of commitment by the firm or consortium of firms to use Department of Minority Business Enterprise certified firms in developing and implementing the plan.

Section II – Strategy Characteristics (no more than 50 pages):

- a. Provide a conceptual description of proposed strategy(ies) for short, mid, and long-terms. Describe the proposed strategy in sufficient detail so that the intent of the strategy, the location(s), and the entities that may be affected are clearly identified.
 - i. Short-term (less than 2 years)
 - ii. Mid-term (between 2 and 5 years)
 - iii. Long-term (between 5 and 10 years)

- b. For each period of time proposed as identified in a., address:
- i. planned conversion or purchase of vehicles addressing specific state-owned vehicle application in Virginia (detailed information about the Virginia state owned vehicles is available);
 - ii. include a plan for maintenance of infrastructure equipment, fuel sources, and vehicles or means to guarantee proposed plans will remain in functional/operational state for at least the operational period of the alternative fuel plan;
 - iii. a plan for fueling for the life of the vehicles (if bi-fuel system, include a strategy to compel use of cleaner, cheaper domestic fuels over imported fuels when financially viable);
 - iv. how state-owned vehicles or other state resources or facilities may be used or will be needed as part of a proposed strategy(ies);
 - v. identify benefits, including how local government vehicles and other fleets such as federal entities and private sector businesses, can benefit from the proposed strategy(ies);
 - vi. training and certification opportunities for personnel working with alternative fuel technologies;
 - vii. rollout of proposed strategy(ies) to targeted vehicles including an implementation timeline;
 - viii. how citizens of the Commonwealth and visitors passing through the Commonwealth can benefit from the proposed strategy(ies);
 - ix. environmental advantages and disadvantages of proposed strategy(ies);
 - x. economic development benefits, including new jobs that may be created by the implementation of proposed strategy(ies);
 - xi. any work to be performed by the targeted public entity or entities;
 - xii. any front end or future costs to the targeted public entity or entities;
 - xiii. the likely recognized reductions of reliance on gasoline and diesel, and related fuel savings to the Commonwealth;

- xiv. any potentially adverse social, economic and environmental impacts of the strategy(ies);
- xv. the projected positive social, economic and environmental impacts of the strategy(ies);
- xvi. contingency plans for addressing public needs in the event that all or some of the strategy(ies) is not completed according to projected schedule;
- xvii. any other assumptions made that are necessary for the plan to be successful;
- xviii. any necessary preconditions that must occur for the plan to be successful.

Section III – Strategy Financing (no more than 20 pages)

- a. Provide a preliminary estimate and estimating methodology of the cost to the Commonwealth of the work by short, mid and long-term timelines.
- b. Provide estimates of any anticipated cost savings, cost avoidance, fuel savings, and how fuel savings may be applied to mitigate any costs of the strategy.
- c. Submit a plan for the development, financing and operation of the proposed strategy(ies). Describe the proposed sources and uses for such funds.
- d. Identify any local, state or federal resources (grants, tax incentives, etc.) that the proposer contemplates requesting for the plan. Describe the total commitment, if any, expected from governmental sources and the timing of any anticipated commitment.
- e. Identify the amounts, terms, and conditions for any revenue sources

Section IV - Strategy Benefit and Compatibility (no more than 40 pages)

- a. Identify community benefits, including the economic impact the plan will have on the Commonwealth and local community in terms of tax revenue to be generated for the Commonwealth and political subdivisions, the number of jobs generated for Virginia residents and level of pay and fringe benefits of such jobs, the training opportunities generated by the plan and the number and value of subcontracts generated for Virginia subcontractors.

- b. Identify any anticipated public support or opposition, as well as any anticipated government support or opposition, for the strategy(ies).
- c. Explain the strategy and plan that will be carried out to involve and inform the general public, business community, local governments, and governmental agencies in areas affected by the strategy(ies).
- d. Describe the compatibility of the strategy(ies) with local, regional, and state economic development efforts.
- e. Provide a statement setting forth participation efforts to be undertaken in connection with this strategy(ies) with regard to the following types of businesses: (i) minority-owned businesses; (ii) woman-owned businesses; and (iii) small businesses.

V. PPEA Proposal Evaluation:

- a. Proposals submitted in response to this solicited PPEA are due to no later than 11:00 a.m. EST on October 21, 2011 and should be submitted to:

Office of the Governor
 Secretary of Administration and Deputy Secretary of Natural Resources
 PO Box 1475
 1111 East Broad Street, 3rd floor
 Richmond, Virginia 23219

- b. Submitted plans will be evaluated on the following criteria:
 - i. Qualifications and Experience
 - ii. Strategy Characteristics
 - iii. Strategy Financing
 - iv. Plan Benefit and Compatibility

Given the Commonwealth's limited resources, the cost of proposals will be strongly considered. If no strategies submitted or combination of strategies can be negotiated to allow the Commonwealth to accomplish its goal without incurring substantial additional costs, awards may not be issued. The Commonwealth's receipt of a proposal shall in no way establish a contractual relationship with the proposer, and no right or financial interest shall accrue to the proposer from such submission.

VI. PPEA Pre-proposal Conferences:

- a. There will be two pre-proposal conferences held for this initiative. Conferences provide an opportunity for the vendor community to ask Commonwealth representatives questions about the scope of this effort,

PPEA process/procedure, or solicit other information important to enable vendors to prepare their proposed plans.

- i. The first pre-proposal meeting will be held on August 12, 2011 at 10:00 a.m. in the Patrick Henry Building 1st floor East Reading Room. The Patrick Henry Building is located at 1111 East Broad Street, Richmond, Virginia 23219.
- ii. The second pre-proposal meeting will be held on September 23, 2011 at 10:00 a.m. in the Patrick Henry Building 1st floor East Reading Room. The Patrick Henry Building is located at 1111 East Broad Street, Richmond, Virginia 23219.

VII. Information Resources:

- a. General information about alternate fuels through the Alternative Fuels and Advanced Vehicles Data Center
<http://www.afdc.energy.gov/afdc/fuels/index.html>
- b. Federal laws / incentives for alternate fuel vehicles
http://www.afdc.energy.gov/afdc/laws/fed_summary
- c. State laws / incentives
http://www.afdc.energy.gov/afdc/laws/state_summary/VA
- d. Existing alternate fuel infrastructure station map
<http://www.afdc.energy.gov/afdc/locator/stations/state>
*Note, biodiesel blends under 20% do not show up on this map
- e. Virginia state fleet analysis
<http://www.dgs.virginia.gov/LinkClick.aspx?fileticket=uvy%2f%2fpJkx4s%3d&tabid=173>
- f. Virginia Alternative Fuels Report 2010
<http://www.hrccc.org/wp-content/uploads/Alt-Fuels-Report-q4-2010.pdf>
- g. State Clean Cities Alternate Fuel Vehicle Coalitions

Virginia Clean Cities <http://www.vacleancities.org>
Chelsea Jenkins cjenkins@hrccc.org or 757-216-1895
Alleyn Harned aharned@hrccc.org or 540-568-8896
- h. Light duty Alt Fuel vehicle buyers guide 2011
<http://www.afdc.energy.gov/afdc/pdfs/49488.pdf>

- i. Light Duty Alt Fuel Vehicles 2011 model year listing PDF
http://www.afdc.energy.gov/afdc/pdfs/my2011_afv_atv_v2.pdf
- j. Medium and Heavy Duty Alt Fuel Vehicle buyers guide
<http://www.afdc.energy.gov/afdc/pdfs/47984.pdf>
- k. Alt Fuel Mower guide
<http://www.afdc.energy.gov/afdc/pdfs/48369.pdf>
- l. NGV vehicle engines and conversion listing PDF
<http://www.ngvamerica.org/pdfs/marketplace/MP.Analyses.NGVs-a.pdf>
- m. GREET Fleet Footprint tool (Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model)
<http://greet.es.anl.gov/>
- n. Petroleum Reduction Planning Tool
<https://www.afdc.energy.gov/afdc/prep/index.php>

VIII. Contact Information:

- a. Questions about this PPEA process/initiative:

Secretary of Administration, Lisa Hicks-Thomas:
lisa.hicks-thomas@governor.virginia.gov or (804) 786-1201

Deputy Secretary of Natural Resources and Senior Advisor on Energy,
Maureen Matsen:
maureen.matsen@governor.virginia.gov or (804) 786-0044

- b. Department of General Services, state fleet and state fuel contract contact:

Mike Bisogno: michael.bisogno@dgs.virginia.gov or 804-367-6526

- c. Virginia Department of Transportation fleet questions, contact:

Deputy Secretary of Transportation and Chief Financial Officer, David Tyeryar
david.tyeryar@governor.virginia.gov or (804) 225-4822

- d. Department of Mines, Minerals and Energy, existing infrastructure and alternative fuel information contact Cathie France:

Cathie.france@dmme.virginia.gov or (804) 692-3211

RESPONSE TO:

Request for Proposal (RFP) # PPEA/SOA 2011-07-22

Pursuant to Public–Private Education Facilities and Infrastructure Act-2001 and PPEA Guidelines
Commonwealth Alternative Fuel Vehicles Implementation Plan Code of Virginia § 2.2-1176

FROM:

The Alliance AutoGas Extended Partnership



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EXECUTIVE SUMMARY

The Alliance AutoGas extended partnership is proposing to develop a public-private partnership with the Commonwealth of Virginia under the guidelines of the Public-Private Education Facilities and Infrastructure Act of 2002 in order to help achieve the vision of reducing Virginia's dependence on foreign oil, while simultaneously expanding the alternative fuel dispensing infrastructure and vehicle markets in Virginia, and supporting the expansion of private sector businesses and creating jobs. The proposed partnership model leverages some of the most experienced, innovative, effective and influential partners in the alternative fuel market.

The partners are dedicated to developing and implementing a successful long-term and cost-effective propane autogas and biofuels vehicle strategy for the Commonwealth's state-owned vehicles, other partner fleet-owned vehicles and the public.

The Alliance AutoGas extended partnership for the purpose of this proposal includes: Blossman Gas; ROUSH CleanTech in partnership with Ford Motor Company; CleanFUEL USA in partnership with General Motors; Phillips Energy; Ford Business Preferred Network Dealerships, Dejana, and Knapheide; Superior Energy Systems; Alliance AutoGas Prins system provider American Alternative Fuel; regional conversion centers certified by Alliance AutoGas; and other influential public and private sector partners.

These partners have come together to provide a complete and well informed alternative fueling program for fleets and individuals in the Commonwealth of Virginia to shift from conventional gasoline to economical, clean-burning and domestically produced propane autogas. The proposed program features:

- *The only two OEM-equivalent propane autogas dedicated vehicle suppliers*
- *The leading propane autogas conversion system supplier*
- *The installation and maintenance of onsite propane autogas fuel dispensing infrastructure by the most experienced autogas fuel supplier*
- *Involvement from leading Virginia public universities, non-profit and industry organizations*
- *A comprehensive safety, operations and maintenance program*
- *A scalable infrastructure strategy that easily and cost effectively accommodates growth to include expansion for public refueling accessibility as demand increases are achieved*
- *A supplementary fuel provision and associated infrastructure to increase usage of ethanol and biodiesel blends*

The partnership addresses the objectives of this public-private initiative including:

1. Reducing the Commonwealth's dependency on gasoline and diesel fuel for the operation of state-owned vehicles: Over 90 percent of propane autogas is produced right here in the United States, with another 7 percent coming from Canada. Supply of propane is expected to increase in the foreseeable future. Initial estimates indicate the Commonwealth could displace over 4 million gallons of petroleum annual with this program.
2. Reducing emissions from the operation of the Commonwealth's state-owned vehicles: propane autogas produces at least 40% less nitrogen oxides (NOx) and over 22% less CO₂-equivalent greenhouse gasses than gasoline. Initial estimates indicate the Commonwealth could avoid over 16 million pounds of greenhouse gas emissions by switching to propane autogas and/or using biofuels in an estimated 3,377 vehicles.
3. Expanding business opportunities within the Commonwealth for large and small businesses resulting in new jobs: A total of 232 million gallons of propane was sold in Virginia, directly contributing to the creation or retention of 873 jobs and \$249 million in direct economic benefit to the Commonwealth. This supply was consumed primarily in the residential market. Propane supply has increased in recent years, and current supply is greater than demand. The U.S. was a net ex-



porter of propane in 2009, excluding imports from Canada. Existing propane supply and distribution networks were designed for a much larger market than exists today and the infrastructure is already in place to support significant new demand for both consumer grade propane and propylene. Propane autogas presents the most promising pathway to utilizing the growing domestic supply of propane and opportunities to provide a cost-effective alternative to conventional gasoline, meet stringent air quality standards, innovate and create new high quality jobs. For every 100 propane autogas vehicles produced at ROUSH CleanTech, for example, it is estimated that 1 new job is created either directly at ROUSH CleanTech or within its supply chain.

4. Limiting any budget impact of making a transition away from reliance on foreign oil: Historically, propane autogas costs significantly less than gasoline or diesel, averaging \$1.00 less per gallon than regular unleaded gasoline. Additionally, vehicles operating on propane autogas require less frequent maintenance, meaning fewer oil changes, extended engine life, and reduced vehicle downtime. Since refueling infrastructure will be provided at no upfront cost to the Commonwealth with a minimum-gallon fueling contract, fleets can achieve a rapid return on investment. The partners can also provide the Commonwealth with innovative finance strategies in order to limit potential budget impacts.
5. Exploring cost-efficient and cost saving strategies: In addition to fuel cost savings that are to be expected, propane autogas infrastructure implementation and conversion from gasoline to propane autogas is significantly less expensive than other alternative fuels and a robust propane distribution network already exists for propane in the Commonwealth. Program fueling partners will provide autogas fueling infrastructure at no capital cost to the Commonwealth with a minimum gallon fueling contract. Second, biofuels are currently selling for less than gasoline and diesel. The team will work with the Commonwealth to determine the most economical deployment strategy, including recommendations for other cost saving strategies.

Propane Autogas

The fleet market for propane autogas vehicle sales is driven primarily by the economic and operational characteristics of propane autogas vehicles relative to other competing vehicles. Propane autogas offers fleets a zero compromise alternative fuel solution. Propane autogas-powered vehicles are cost effective, easy to refuel, clean and offer the same great performance and operational characteristics as their gasoline-powered equivalents. Propane is the third most widely used transportation fuel in the world, third only to gasoline and diesel with more than 17 million passenger vehicles using propane effectively as an engine fuel worldwide. Fleets are experiencing 40% reduced fuel costs on average, at least 22% less greenhouse gas emissions, identical performance to gasoline-powered equivalent vehicles and can also maintain the same manufacturer warranties with the ROUSH CleanTech and CleanFUEL USA systems due to OEM alliances and high quality standards.

Strength of the Partnership

The Alliance AutoGas extended partnership provides an effective alternative fuel program for the Commonwealth and other fleets and individuals to shift from gasoline to propane autogas and biofuels. The partnership includes all major private sector companies involved in the engineering, manufacturing and deployment of propane autogas vehicle technology as well as dedicated and forward-thinking Virginia fuel suppliers for propane autogas and biofuels.

Conclusion

The partnership includes team members having the most practical experience in implementing large-scale propane autogas and biofuels vehicle deployment programs in the public and private sectors. The partners have strategically identified Commonwealth fleets that are optimal targets for shifting to propane autogas and biofuels. The program is designed to address the three-phase approach outlined by the Commonwealth. The Commonwealth can therefore increase the use of economical, American-made fuels; create regional, green-collar jobs; benefit local communities economically and environmentally; maximize use of taxpayer dollars; and achieve an unprecedented, budget-neutral alternative fuel program powering thousands of vehicles.

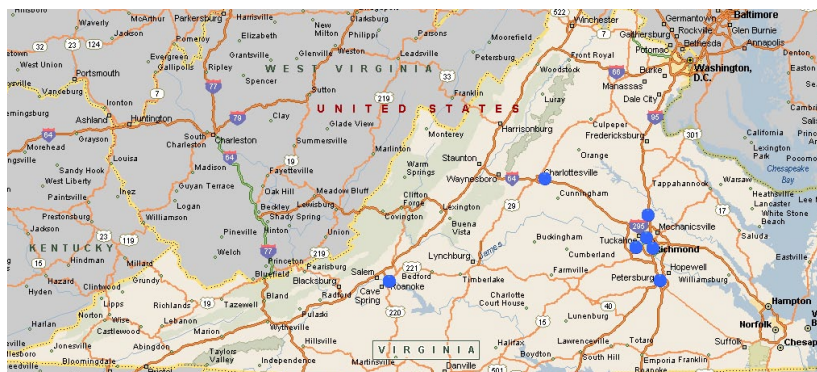


I. QUALIFICATIONS AND EXPERIENCE

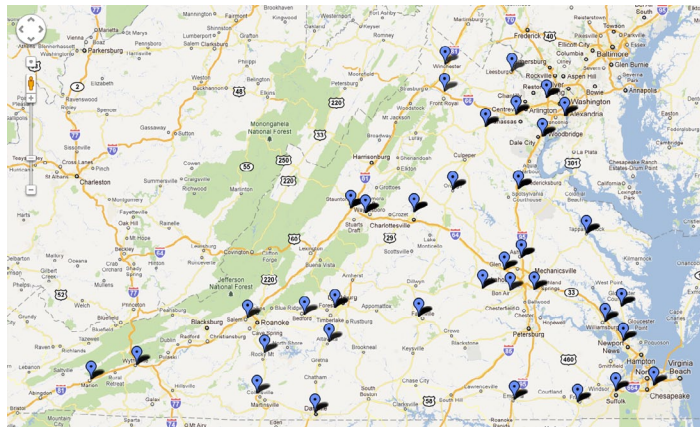
a. The Alliance AutoGas extended partnership for the purpose of this proposal includes: Blossman Gas; ROUSH CleanTech in partnership with Ford Motor Company; CleanFUEL USA in partnership with General Motors; Phillips Energy; Ford Business Preferred Network Dealerships, Dejana, and Knapheide; Superior Energy Systems; Alliance AutoGas Prins system provider American Alternative Fuel; regional conversion centers certified by Alliance AutoGas; and other influential public and private sector partners. These partners have come together to provide a complete and well informed alternative fueling program for fleets and individuals in the Commonwealth of Virginia to shift from conventional gasoline to economical, clean-burning and domestically produced propane autogas. The program includes vehicle conversion and replacement with propane autogas-powered vehicles; the installation and maintenance of onsite propane autogas fueling infrastructure; extensive fleet personnel and technician training; all required equipment for fleet vehicles and infrastructure; guaranteed propane autogas fuel supply; and ongoing technical and maintenance support for technologies provided by project partners. Supplementary fuel provision (and associated infrastructure as necessary) will also be provided for Commonwealth fleet vehicles already equipped to operate on E-85 and biodiesel. See qualifications and experience of partners immediately below:

i. **Blossman Gas, Inc. – Fueling Infrastructure, Fuel Provision and Safety Training Lead.** Blossman Gas is the country's largest independent propane distributor and a founding partner of the nationwide partner network, Alliance AutoGas with more than 44 partners. Blossman will serve as the lead propane gas fuel provider. Founded in 1951, Blossman has grown from one truck and one office to serve over 130,000 customers from Virginia to Mississippi. Their standing as the 11th largest propane dealer in the nation has never hindered their ability and commitment to deliver the best customer service in the industry. Blossman currently provides propane fueling to the Commonwealth of VA in more than 30 counties through a state contract and services many homes and businesses through private contracts. Blossman's experience with autogas vehicle fueling extends over 40 years includes work with dozens of fleets; development of a statewide, 115-station autogas fueling infrastructure for the State of Indiana; and their role as primary fueling and infrastructure provider for the DOE-funded Southeast Propane Autogas Development Program administered by the Virginia Department of Mines, Minerals and Energy. Blossman has pioneered autogas industry development through visionary leadership in the forming of Alliance AutoGas and industry coalition Autogas for America.

ii. **Ford BPN Dealerships – Equipment Distributor and Ongoing Service.** Established in 1989, Ford's Business Preferred Network (BPN) was the first program specifically designed to help dealers address the needs of small fleet customers. BPN has evolved over the years, with input from commercial customers, resulting in a superior buying, financing, and service experience for fleet customers. Ford BPN dealers are held to a very high standard to provide the ideal fleet experience. There are over 500 Ford BPN dealers nation-wide, and ROUSH CleanTech will focus / train / certify BPN dealers in Virginia specifically for servicing any propane autogas powered fleet vehicles.



- iii. **CleanFUEL USA – Additional Equipment Provider.** Clean Fuel USA in partnership with automotive original equipment manufacturer **General Motors (GM)** will provide mono-fuel (propane dedicated) propane autogas-powered OEM (Original Equipment Manufacturer)-equivalent vehicles for replacement of aging vehicles within the Commonwealth fleet. A visionary company since inception in 1993, CleanFUEL USA is recognized by fleet managers, fuel equipment manufacturers and distributors throughout the world for building safe and reliable equipment that satisfies environmental regulations and reduces U.S. dependence on foreign oil. From fuel and refueling infrastructure to station equipment, engine systems and fleet management programs, CleanFUEL USA provides superior economic and environmental advantages. Through their partnership with GM, CleanFuel will provide ongoing technical and maintenance support backed by General Motors technical experts and dealerships. Experience includes DOE-and federally funded partnerships with major fueling retailers (Conoco Phillips) and their ongoing partnership with General Motors. See below map of GM dealership locations equipped to service vehicles in the Commonwealth of Virginia:



- iv. **Phillips Energy, Inc. – Fuel Provision Lead.** Phillips Energy (PE) is a Virginia-based alternative fuel provider and an Alliance AutoGas fueling partner. The company was founded in 1946 in Gloucester County as LF Phillips & Sons, Inc. It is currently registered with Commonwealth of Virginia as a small business under the ownership of John Phillips, President and Elizabeth McCormick, Vice President. PE provides fuel and energy related services which include: Propane, Heating Oil, diesel, Kerosene, Gasoline, Biodiesel, Flex Fuel (E-85), Storage and Refueling infrastructure installation and repair, propane appliance installation, HVAC install and repair. The company services all areas of Southeast Virginia and parts of central and Northern Virginia from their bulk plant locations in Hayes and Matthews, VA. For the purpose of this joint venture, PE will serve as the propane fuel provider for a number of areas within the Commonwealth. PE will also provide fueling for any additional alternative fuels associated with this proposal including possible provision of biodiesel and E85. An early adopter of alternative fuel technologies and a visionary, Phillips developed one of the 1st retail facilities in Virginia to offer public refueling for three different alternative fuels – propane (autogas), E-85 (flex fuel), and Biodiesel (20% biodiesel blend).

This station has displaced more than 315,000 gallons of conventional fuels with alternative fuels during its first full year of operation. Phillips Energy has been a loyal supporter of alternative fuel initiatives in Virginia and has been under contract with the Commonwealth for many years, and has partnered with Virginia Clean Cities on several alternative fuel deployment programs. PE has a demonstrated ability within delivery of a variety of fuels to different locations and storage infrastructure installation with the Commonwealth. They are recognized by fleets as providing superior customer service.



- v. **ROUSH CleanTech –Technical, Product and Training Lead.** ROUSH CleanTech is the alternative fuels division of ROUSH Enterprises. ROUSH CleanTech brings a history of automotive excellence and technical expertise to this project, and will provide OEM-equivalent dedicated propane autogas vehicles through their strategic partnership with **Ford Motor Company**, Virginia-based Ford dealerships, and Virginia-based installation / service centers. For over 35 years, ROUSH has been a Tier-1 automotive supplier for all of the major automotive manufacturers, lending OEM level expertise and quality in the form of powertrain development, engineering, design, manufacturing, and assembly. Through a partnership with the Propane Education and Research Council, ROUSH began developing dedicated liquid propane autogas fuel systems for Ford light- and medium-duty trucks in 2006. Four years later, ROUSH CleanTech was launched and now boasts a customer list comprising of some of the Top 500 fleets in America, including; Frito-Lay, CenturyLink, ThyssenKrupp Elevator, SuperShuttle, ARS / Rescue Rooter, City of Cincinnati, DeKalb County, and many others. Ford vehicles equipped with the ROUSH CleanTech fuel system maintain all factory performance ratings, as well as the factory warranty coverage, and are certified by the EPA and CARB. ROUSH Enterprises is the holding company for a number of other ROUSH-related ventures, including Roush Fenway Racing, the most successful racing team in history. Jack Roush, throughout his entire racing career, has over 300 wins on the drag racing and NASCAR circuits. The companies within ROUSH Enterprises all benefit from the knowledge, know-how, and engineering expertise that is developed in the company's NASCAR racing teams, which is the foundation for the rest of the company's success.
- vi. **Superior Energy Systems LTD. – Fueling Equipment Lead.** Superior Energy Systems, serving as the nation's premier propane dispenser design/build contractor, will engineer, construct, service and train code-compliant fueling stations in partnership with Blossman Gas. The SES team has over 100 years of experience in the design and construction of propane facilities, from propane vehicle dispensing to grassroots bulk plant facilities. SES has been the nation's leader in engineering and building fueling stations, terminals, vaporizers, bulk plants and pump skids. SES is the answer to many propane system needs – no matter the application or location. SES is seriously committed to dependability, efficiency and quality workmanship. SES already supplies bulk propane storage infrastructure to the Commonwealth in approximately 11 locations. These existing structures may be utilized building out additional autogas dispensing equipment for the Commonwealth. Superior partnered with Blossman for a statewide autogas infrastructure development program in the State of Indiana.
- vii. **Alliance AutoGas Prins VSI provider American Alternative Fuel – Additional Equipment Lead.** American Alternative Fuel will provide bi-fuel, aftermarket alternative fuel conversion systems for project vehicles. American Alternative Fuel (AAF) is a founding partner of Alliance AutoGas, and is the provider of EPA-certified Autogas vehicle conversion systems, Certified Technician Training, Certified Conversion Center verification and ongoing technical support for fleet customers. As an industry-leading alternative fuel vehicle conversion company, AAF supplies the best and most reliable equipment, labor and training. AAF is the United States distributor for the Prins AutoGas Vapor Sequential Injection system and maintains a development and manufacturing facility in addition to a wide network of certified sub-dealer and installation center facilities throughout the United States. AAF works closely with the Environmental Protection Agency to ensure that the conversion systems meet their rigorous testing standards; and with large fleets to ensure that their products work correctly and efficiently. Alliance AutoGas relies on AAF's extensive product knowledge, mature distribution network, proven technical expertise, and ongoing evolution of best practices.



viii. Regional Conversion and Installation Centers:

- a) OEM-equivalent mono-fuel (dedicated) autogas vehicles will be made available directly from Ford (BPN) and GM dealerships. Ford OEM-equivalent installations will also be performed by:
- 1. Dejana Truck & Equipment:**
Dejana is a family-owned and operated full-line truck equipment house, celebrating its fiftieth year in business. They specialize in supplying up-fitted pick-ups, work vans, dry freight bodies, high cubes, cutaways, and cab and chassis to Ford and other manufacturers. Their six facilities service locations throughout the majority of the East coast of the United States. Virginia Service Center: Located in Baltimore, MD and is only 50 miles from the VA border.
 - 2. Knapheide:**
In business since 1948, Knapheide's historical roots and rich heritage are not forgotten by the generation that leads the company today. Knapheide is an industry-leader in building work-truck bodies and is an authorized ROUSH CleanTech installer. Virginia Installation Center: Lawrence Equipment
 - 3. ROUSH CleanTech:**
ROUSH CleanTech's facility, based in Livonia, Michigan, is a Ford-designated ship-thru facility that can perform fuel system installations on pre-titled vehicles prior to final customer delivery. Any new Ford-based vehicles being purchased by the Commonwealth can be converted by ROUSH CleanTech using this option.
- b) Alliance AutoGas will train certified vehicle conversion centers to convert vehicles which will operate on the bi-fuel Prins VSI system. Project partners will wait until participating fleets and geographies are defined for the program before finalizing certified conversion center sub-contractor partners. This enables the project partners to assist in achieving 'budget neutrality' for the Commonwealth because conversion centers can be strategically placed geographically to minimize the required travel distance for conversion of fleet vehicles. Additionally, the training and staffing of these conversion centers will support existing Virginia small businesses and allow for new job creation.

For all vehicles to be converted using the Prins bi-fuel system, the following will be true of Alliance AutoGas Certified Conversion Centers:

- American Alternative Fuels (AAF) will oversee technical and service performance of Conversion Centers, ensure proper training and support, audit as appropriate, and provide adequate means for feedback and improvement. AAF will also ensure Conversion Center expectations are met.
- Conversion Centers will participate in monthly conference calls with Alliance AutoGas partners.
- The following is a list of expectations related to the performance of Conversion Centers:
 - Install conversion systems according to latest install manual
 - Follow procedures related to documentation, quality control
 - Provide feedback on concerns, issues, customer response, and suggestions for program improvement
 - Engage in conference calls, meetings, or other means of communication in order to learn the latest program updates or expectations
 - Invoice and provide required documentation in a timely manner



- Update AAF on status of field conversions not less than weekly
- Certify technicians are using the latest procedures, are competent to perform conversions, and are trained properly

ix. ROUSH Service Centers

- a) Training Program for Existing Service Centers: ROUSH CleanTech's field service engineering team is equipped to travel and train existing service locations so that servicing propane autogas-powered vehicles requires no additional down-time for the end-user. See section vi (3) for details.
- b) Ford BPN Dealers: For smaller fleets within the Commonwealth that take advantage of local Dealerships or other service locations, ROUSH CleanTech will work with the Commonwealth to identify those locations and get them trained. See section vi (3) for details.

b. Key Experiences with Comparable Size and Complexity

i. Fueling Infrastructure and Safety Training Lead: Blossman Gas and Superior Energy

- a) Multi-state DOE programs – Southeast Propane Autogas Development Program (SPADP): Blossman Gas was the fueling Infrastructure and Safety Training Lead for the DOE's SPADP program. The 20 million dollar program included the installation of infrastructure across 13 Southeastern States designed to facilitate propane autogas fueling for approximately 1200 fleet vehicles and implementation of more than 36 fleet fueling stations throughout the Southeast. SPADP is the largest-ever public-private partnership alternative fuel vehicle conversion program in the history of the United States. Key lessons have been learned throughout development and deployment of SPADP, including development of processes and best practices lending to the partnership as one of the most experienced in large-scale government alternative fuel deployment programs.
- b) Indiana Statewide Propane Autogas Fueling Station: Blossman Gas and Superior Energy worked together to implement the largest ever state-wide autogas fueling network. This network included 115 autogas fueling stations and was implemented in the State of Indiana as a part of the state's initiative to boost the use of alternative fuels. The 115-station network means that virtually every locale in the state is within 30 miles of an autogas fueling station.
- c) Superior Energy already has large bulk propane storage facilities in place in 11 locations in Virginia to enable gas provision for Virginia Commonwealth prisons in areas where natural gas is not available.

**ii. Fuel Provision Leads:
Blossman Gas**

- a) Multi-state DOE programs – SPADP: As the lead fuel provider for the SPADP program, Blossman Gas has significant experience providing fuel safety training and ongoing fuel provision for a program of comparable size and multi-state complexity. Blossman is providing fuel for the 1200-strong program vehicle fleet for the duration of the SPADP government program and beyond. Blossman provided all fueling infrastructure for the program as cost share.
- b) Fueling Network and Distribution: Through its extensive regional fueling and distribution network Blossman Gas provides more than 70 million gallons of propane annually to its customers and together with Phillips Energy will guarantee an uninterrupted fuel supply with superior customer service.



Phillips Energy

- a) Phillips installed and manages public and private fleet propane autogas refueling infrastructure in Gloucester County and the City of Newport News. They have successfully converted public and private fleets to Biodiesel (20%) blends and successfully worked through challenges with early adopters.
- b) Phillips established E-85 (flex fuel) delivery operations to government contractor and public refueling station located in Norfolk, VA.
- c) Phillips was awarded “Greenest Business” in 2008 by Gloucester County.
- d) Phillips was instrumental in the transition of 5 Gloucester County school buses from diesel to propane in 2009.
- e) Phillips is currently planning to install a manned propane refueling station that will be open to the public in the future with a private business in Virginia Beach.

iii. Technical, Product and Training Lead: ROUSH CleanTech

- a) Fleet Deployment – Public and Private Fleets: The ROUSH CleanTech team has extensive and meaningful experience in managing alternative fuel, and specifically propane autogas, alternative fuel deployment programs for both public fleets and Fortune 500 companies. As an example, ROUSH CleanTech is currently implementing a comprehensive program for Frito-Lay including the roll-out of 120 propane autogas-powered aftermarket conversions in Michigan and Ohio and the implementation of an infrastructure build plan. As part of the program ROUSH is engineering background/integration with new propane cab heater, has incorporated TCEQ grant money to help off-set engineering costs and has provided state-of-the-art service training and vehicle certification. Additionally, ROUSH team members have successfully managed complex, revolutionary deployment programs for a diverse array of government fleets including state and local government, law enforcement, and school bus organizations throughout the country.
- b) OEM Partnerships – Ford Motor Company Partnership: ROUSH has been a Tier-1 powertrain and engineering partner for Ford Motor Company for over 35 years. Their work with Ford has included development of major powertrains, alternative fuel vehicle platforms, testing, prototyping, engineering, emissions certification, noise vibration and harshness, and a host of other services. There are over 20,000 “ROUSH”-branded Ford vehicles on the road today.
- c) Service Training Program: As a Tier 1 automotive supplier, ROUSH maintains the highest quality standards. All ROUSH CleanTech autogas vehicles maintain the original manufacturer’s warranty. Stringent requirements for installation and service centers exist. See sample training presentation in the Strategy Characteristics section. Copies of service manuals & installation instructions can also be downloaded at: <http://www.roushcleantech.com/service>

iv. Additional Lead Equipment Provider: CleanFUEL USA

- a) Conoco Phillips Partnership: CleanFUEL USA and ConocoPhillips established an agreement to advance propane infrastructure for the U.S. transportation fuel industry. Under the agreement, the two companies will provide resources to install and supply propane fuel pumps for commercial fleet fuel users. Propane fueling stations are being installed not only at fleet owner sites, but may also be made available nationwide at select Conoco Phillips’ branded stations, which include Conoco, Phillips



66 and 76 stations. ConocoPhillips will supply propane to the fueling stations through regional propane marketers.

- b) Texas State Technical College Partnership: The Clean Start: National Liquid Propane Refueling Network and Green Jobs Program is a joint effort between CleanFUEL USA and Texas State Technical College. It will install 184 propane stations across the United States. These 24-hour self-service stations will be rolled out in three phases. In addition, the project includes LPG training through Texas State Technical College geared specifically for veterans and out of work or at risk service technicians.
- c) General Motors Partnership: As GM is now offering a new propane option for the 2012 4500 van, GM selected CleanFUEL USA as its exclusive partner for the 42-gallon capacity liquid propane engine systems.

v. Additional Lead Equipment Provider: American Alternative Fuel

- a) Multi-state ARRA/DOE programs – SPADP: American Alternative Fuel is the exclusive vehicle technology equipment provider for the SPADP program providing more than 1,200 vapor sequential injection autogas systems to the program. American Alternative Fuel also managed the procurement and training of all related program certified conversion centers and provides ongoing training and technical support for its certified conversion centers. Through the SPADP program, American Alternative Fuel has developed a sophisticated communication, service and support system for conversion centers (see II.b.vii.f). AAF provides technical updates and other important information related to equipment, in addition to performing periodic audits for quality control purposes. Through its work with the ARRA-funded and Virginia Clean Cities-managed Southeast Propane Autogas Development Program, American Alternative Fuel has continued to refine its workflow, customer response processes and extensive training offerings aimed specifically at government fleet customer service.
- b) American Alternative Fuel is the exclusive North American provider of the Prins VSI system and has provided conversion systems for more than 2,000 on-road vehicles to-date with another 1,000 already slated for conversion.
- c) **American Alternative Fuel has a 259-page installation manual and additional 20-page maintenance manual which we did not include here due to length.**

c. Partner Resumes/References - Confidential

- i. Blossman Gas
- ii. CleanFUEL USA
- iii. Phillips Energy
- iv. ROUSH CleanTech:
- v. Superior Energy
- vi. American Alternative Fuel

d. Contact Information – Project Partners - Confidential

- i. Blossman Gas



- ii. CleanFUEL USA
 - iii. Phillips Energy
 - iv. ROUSH CleanTech
 - v. Superior Energy
 - vi. American Alternative Fuel
- e. **Confidential**
- f. **Confidential**



II. STRATEGY CHARACTERISTICS

a. Conceptual Description of Proposed Strategies:

The Alliance AutoGas extended partnership provides a cost-effective and comprehensive alternative fuel program for the Commonwealth fleet and other fleets to shift from gasoline to propane autogas. The Alliance AutoGas extended partnership includes all major private sector companies involved in the engineering, manufacturing and deployment of propane autogas vehicle technology in the marketplace today and provides a complete alternative fuel program. The partners have strategically identified Commonwealth fleets which include vehicles that may be eligible for shifting to autogas and which make optimal targets for additional fueling infrastructure. This complete program will provide vehicle conversion and vehicle replacement options; onsite fueling infrastructure for fleets and consumers; guaranteed fuel supply; extensive training and user education programs; and ongoing technical, safety and maintenance support. This program also provides for scalability of infrastructure and can easily facilitate program footprint expansion and public refueling accessibility. The program is designed to address the three-phase approach outlined by the Commonwealth. Through this program the Commonwealth will increase the use of economical, American-made fuels; create regional, green-collar jobs; benefit local communities economically and environmentally; maximize use of taxpayer dollars; and achieve an unprecedented, budget-neutral alternative fuel program powering thousands of vehicles.

The primary fueling alternative offered in this proposal is propane autogas. Strategically, propane autogas offers fleets a zero compromise solution. Autogas-powered vehicles are clean, cost effective, easy to refuel, and offer the same great performance characteristics as their gasoline-powered equivalents. Propane is the third most widely used transportation fuel in the world, third only to gasoline and diesel. About 90 percent of propane is produced in the United States and an additional 7% in Canada, making it a domestic fuel alternative. Fleets are experiencing 40% reduced fuel costs on average, 24% less carbon dioxide emissions, identical performance to gasoline-powered equivalent vehicles and can also maintain the same manufacturer warranties with the ROUSH and CleanFUEL USA systems.

The following phased approach was selected based upon the experience of partners in managing large-scale, diverse alternative fuel fleet deployment programs and accounts for the data made available currently in the PPEA RFP as well as partner capabilities and constraints. It is expected that as more detailed data is available and conversations about the culture and nature of specific department fleets comes available that the phases and timelines may change slightly to ensure ultimate success with adoption and use of autogas vehicles.

- i. **Phase 1** will include fleet vehicle conversions, recommendation of vehicle for immediate replacement; on-site fueling infrastructure development for fleets identified as conversion and replacement candidates; fuel supply; training and education, technical safety and maintenance support. Phase 1 may also include conversion of established diesel fueling infrastructure to biodiesel and evaluation and possible installation of E-85 refueling infrastructure.
- ii. **Phase 2** will include vehicle replacement; transfer of bi-fuel conversion systems from retired vehicles to new or alternate vehicles; infrastructure development and expansion as necessary; fuel supply; additional training; ongoing support; and discussion of public fueling opportunities. This team will work with the Commonwealth to identify best locations for public fueling and is willing to work collaboratively to provide autogas fueling in those areas which have been identified Commonwealth.
- iii. **Phase 3** will include additional vehicle replacements; additional potential conversion system transfers; scaling and development of infrastructure as necessary; fuel supply; additional or updated training as necessary; ongoing support; possible implementation of public fueling pending collaboration with the Commonwealth fueling.
- iv. **Please see additional details in section II.b.vii.**



b. For each period of time proposed as identified above address:

i. ID planned conversion/purchase of vehicles addressing specific applications

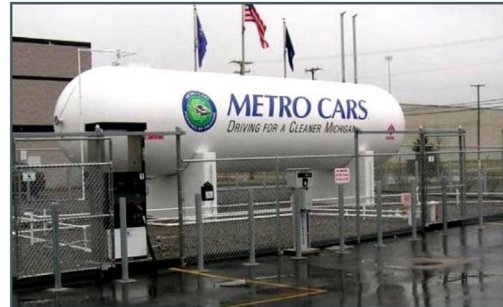
Based on initial review of the Commonwealth vehicle fleets (light and medium-duty vehicles) and based on current vehicle technology applications (all equipment partners anticipate certifications for additional vehicle platforms and technologies throughout the duration of the program), compared to geographic service areas covered by project fueling partners, the fleets outlined in section II.b.i.c have been identified as ideal for propane-autogas vehicle conversion or replacement, or for E-85/biodiesel use.

- a) Propane Autogas Current Eligible Vehicle List – Please see attached certification lists from project equipment partners for a list of currently eligible vehicle platforms for conversion. Please note that current platforms available from ROUSH CleanTech and CleanFUEL USA may replace vehicles of comparable size/performance and do not require an exact match based on make/model/year. Current list of EPA-eligible vehicles immediately following:



PUBLIC FUELING STATION AT GERMAN MOTOR WERKS IN ASHEVILLE, NC





THIS PUBLIC PHILLIPS ENERGY PUBLIC FUELING STATION IN VIRGINIA PROVIDES: E-85, BIODIESEL, PROPANE, ON- AND OFF-ROAD DIESEL, AND THREE GRADES OF GASOLINE



PUBLIC FUELING STATION IN MEDFORD OREGON



- b) Confidential
 - c) This partner team has had consistent success in implementing autogas vehicle technology with law enforcement fleets. Alliance AutoGas maintains a working relationship with national and state Sheriff's Associations.
 - d) Technology will also be available for School buses through CleanFUEL USA and ROUSH CleanTech (next-generation Blue Bird Corporation propane-powered Vision school bus [Type C] and Micro-Bird school bus [Type A]).
 - e) Other fleet partners have expressed interest in partnering on this project if selected for round two project partners will work with these public and private entities to solidify their interest.
- ii. **Outline plans for maintenance of fueling infrastructure, equipment install guarantee of functionality/operational ability for duration (operational period) of program**
- a) **For all fleets participating in the program, for which Blossman Gas or Phillips Energy has a fueling contract meeting fuel use volume minimums, Blossman or Phillips will:**
 - Install fueling infrastructure that is coordinated with each fleet site and provides desired operability and data transfer such as a card reader system
 - Work with the Commonwealth to ensure permit and regulation compliance for all construction work and equipment operation
 - Provide required cost breakdown and infrastructure documentation to appropriate project partners
 - Provide any required worker's compensation documentation
 - Commit to the maintenance and upkeep of all infrastructure provided in keeping with fuel contract
 - Will provide a sourcing guarantee
 - The Alliance AutoGas Fueling Solution provides an autogas station installed on-site at fleet base, a spill-free dispenser with familiar design, is fully scalable to serve fleets of all sizes, works well with fuel management systems, includes all necessary training for fleet personnel.



- b) For all fleets utilizing propane autogas as a part of this program Blossman Gas and/or Phillips Energy will offer a guaranteed fuel supply and the onsite fueling infrastructure scaled to accommodate the size of each fleet. **In order to ensure budget neutrality on behalf of the Commonwealth and based on a mutually beneficial fuel contract (meeting minimum gallon requirements), fueling partners will provide onsite fueling infrastructure for each program fleet at no capital cost to the fleet or the Commonwealth.**
- Fuel providers can deliver a range of infrastructure sizes based on the number of vehicles fueling at a given location and the fuel demands associated with each vehicle/fleet
 - Tank size will also be dependent upon space available for infrastructure
 - Fleet fueling locations must qualify under the rules of NFPA-58, a national publication of qualifications published by the National Fire Protection Association
 - Permitting and electrical supply will be the responsibility of the Commonwealth
- c) Based on initial review of the Commonwealth vehicle fleets (light and medium-duty vehicles) and based on current vehicle technology applications (all equipment partners anticipate certifications for additional vehicle platforms and technologies throughout the duration of the program), compared to geographic service areas covered by project fueling partners, the fleets outlined in the previous section have been identified as ideal for propane-autogas use and onsite fueling provision in the following geographic areas: Albemarle County, Appomattox, Arlington, Ashland, Bedford, Blacksburg, Bowling Green, Bristol, Buckingham, Charlottesville, Chesapeake, Chesterfield, Claypool Hill, Clifton Forge, Colonial Heights, Communications Division, Culpepper, Danville, Dillwyn, Dublin, Emporia, Fairfax, Franklin, Fredericksburg, Galax, Gloucester, Halifax, Hampton, Harrisonburg, Independent Hill, Leesburg, Lexington, Luray, Lynchburg, Manassas, Martinsville, Melfa, Mineral, Newport News, Norfolk, Peninsula, Petersburg, Powhatan, Property & Logistics Division, Richmond, Salem, Saluda, South Hill, Springfield, Staunton, Suffolk, Triangle, Van Dorn, Warrenton, Warsaw, Waverly, West Point, Williamsburg, Winchester, Wise, Wytheville



- d) The first fueling priority of the project is to provide adequate refueling infrastructure for Commonwealth fleets being converted to propane autogas as outlined in the program. Secondly, the Team plans to provide public access to fueling infrastructure whenever it is practical to do so and based on locations which meet a minimum gallon usage requirement and a minimum number of vehicles in one geographic location. At a minimum Alliance AutoGas will provide simple refueling with mechanical



(manual) gallon readers and could provide a complex card reader system to handle multiple fleets if the demand so dictates. Alliance Autogas Extended Partnership will work closely with Virginia Clean Cities (VCC) and other partners to leverage interest by other public and commercial fleets in the areas where Commonwealth vehicles are being deployed. Alliance partners will utilize their relationships with VCC in order to engage area fleets and increase volume demand to help justify the implementation of public fueling infrastructure on both dedicated propane autogas refueling sites and on alternate fueling sites where ownership is amenable to the incorporation of propane autogas fueling.

- e) On-site public propane AutoGas fueling stations may be established, either by upgrading existing facilities for public access or building new ones as needed through: partnership with existing Commonwealth fuel providers; upgrades which scale propane autogas infrastructure as provided by Blossman to Virginia Commonwealth Fleets; through building of new infrastructure on Commonwealth lands as made available through the Commonwealth in areas with at least 100 vehicles, and through expanding current propane fueling infrastructure with dispenser units to draw from large scale propane tanks already established for the Commonwealth through project partner Superior Energy.
- f) Blossman Gas and Phillips Energy together with Superior Energy systems, and the support of the Commonwealth, have the capability to permit and install, cost effectively and within a very short timeframe, fleet fueling stations that meet the demands of both public and private fleets.

iii. Plan for fueling for the life of the vehicles

- a) For all fleets utilizing propane autogas as a part of this program Blossman Gas and/or Phillips Energy will offer a guaranteed fuel supply and the infrastructure of onsite fueling infrastructure scaled to accommodate the size of each fleet.
- b) **For all fleets participating in the program, for which Blossman Gas or Phillips Energy is the fuel provider, Blossman or Phillips will:**
 - Manage fuel supply contract with the Commonwealth and/or each fleet receiving propane fuel for the duration of the program
 - Provide safety, operation and maintenance training to fuel equipment users and fueling station personnel
 - Inform project partners, including fleets, and any Commonwealth project personnel of any safety violations, accidents or incidences occurring at fleet sites for the duration of the program
 - Assist fleets with recommendations or guidance regarding fuel management systems and online reporting options
- c) Will include strategy to compel use propane autogas with bi-fuel vehicles
 - Bi-fueled vehicles give the Commonwealth the opportunity to deploy an alternative fuel vehicle in rural areas where extended range is needed. Additionally, in emergency situations, bi-fueled vehicles provide the opportunity to have a secondary fuel supply until fleet home base or other refueling opportunities can be found. Until autogas infrastructure becomes prolific in the Commonwealth, bi-fueled autogas vehicles provide some flexibility and peace of mind. However, in order to ensure this flexibility is not taken advantage of, driver education is a critical component of any AFV program.
 - Driver Education – Propane autogas is significantly cheaper than gasoline and achieves comparable power and performance to gasoline. Propane autogas-powered vehicles also require



VEHICLES CURRENTLY ELIGIBLE FOR CONVERSION*

BI-FUEL CONVERSIONS

Prins VSI system

2011 and 2012 model years:

- 6.0L V8 Workhorse

2008, 2009, 2010, 2011 and 2012 model years:

- 4.8L GMC Savana Cargo 2500
- 4.8L GMC Savana Cargo 3500
- 4.8L GMC Savana Passenger 2500
- 4.8L Chevrolet Express Cargo 2500
- 4.8L Chevrolet Express Cargo 3500

2009 model years:

- 6.0L GMC Savana Cargo G2500
- 6.0L GMC Savana Cargo G3500
- 6.0L GMC Savana Passenger G2500
- 6.0L GMC Savana Passenger G3500
- 6.0L Chevrolet Express Passenger G2500
- 6.0L Chevrolet Express Passenger G3500
- 6.0L Chevrolet Cargo Van G2500
- 6.0L Chevrolet Cargo Van G3500

2006, 2007, 2008, 2009 and 2010 model years:

- 4.6L Ford Crown Victoria
- 4.6L Ford Crown Victoria Police Package
- 4.6L Lincoln Mercury Town Car
- 4.6L Lincoln Mercury Grand Marquis

2008 model year:

- 5.4L Ford F-150 2WD and 4WD
- 4.6L Ford F-150 STX SE 2WD
- 4.6L Ford F-150 2WD and 4WD
- 5.4L Ford Expedition 2WD and 4WD
- 5.4L Lincoln Navigator 2WD and 4WD
- 5.4L Lincoln Mark LT 2WD and 4WD
- 5.4L Ford E-350 Van
- 5.4L Ford E-350 Club Wagon
- 5.4L Ford E-350 Cutaway
- 4.6L Ford E-350 Van

- 5.4L Ford E-250 Van
- 5.4L Ford E-250 Cutaway
- 4.6L Ford E-250 Van
- 5.4L Ford E-150 Van
- 5.4L Ford E-150 Club Wagon
- 4.6L Ford E-150 Van

2006, 2007 and 2008 model years:

- 6.8L V10 Ford F250
- 6.8L V10 Ford F350
- 6.8L V10 Ford F450
- 6.8L V10 Ford E450

2007 model year:

- 5.4L Ford E-150 Club Wagon
- 5.4L Ford E-150 Van 2WD
- 5.4L Ford E-250 Van 2WD
- 5.4L Ford E-350 Van 2WD

2005, 2006 and 2007 model years:

- 5.4L Ford F-250 2WD and 4WD
- 5.4L Ford F-350 2WD and 4WD
- 5.4L Ford F-250 2WD and 4WD Bed Delete
- 5.4L Ford F-350 2WD and 4WD Bed Delete

2006 and 2009 model year:

- 6.0L Chevrolet C2500 Silverado 2WD
- 6.0L Chevrolet C3500 Silverado 2WD
- 6.0L Chevrolet K2500 Silverado 4WD
- 6.0L Chevrolet K3500 Silverado 4WD

2006 and 2009 model year:

- 6.0L GMC C2500 Sierra 2WD
- 6.0L GMC C3500 Sierra 2WD
- 6.0L GMC K2500 Sierra 4WD
- 6.0L GMC K3500 Sierra 4WD

2009 model year:

- 6.0L GMC K25 HD Sierra 4WD
- 6.0L Chevrolet K35 HD Silverado 4WD

 *Intermediate certifications can also be obtained quickly from the EPA for a broad range of additional vehicle platforms of which more than 5 vehicles will be converted; American Alternative Fuel Anticipates a significant number of additional certifications in Q4 of 2011



MONO-FUEL (DEDICATED PROPANE SYSTEM) CONVERSION**Prins VSI system:**

2011 and 2012 model years:

- 6.0L V8 Workhorse

2008, 2009, 2010, 2011 and 2012 model years:

- 4.8L GMC Savanna Cargo 2500
- 4.8L GMC Savanna Cargo 3500
- 4.8L GMC Savanna Passenger 2500
- 4.8L Chevrolet Express Cargo 2500
- 4.8L Chevrolet Express Cargo 3500

ROUSH CleanTech system:

2007 and 2008 model years:

- Ford F-150 pickup truck (5.4L V8)

2009 and 2010 model years:

- Ford F-250 pickup truck (5.4L V8)
- Ford F-350 pickup truck (5.4L V8)

2009, 2010, and 2011 model years:

- Ford E-150 cargo / passenger van (5.4L V8)
- Ford E-250 cargo / passenger van (5.4L V8)
- Ford E-350 cargo / passenger van (5.4L V8)
- Ford E-350 single rear wheel cutaway (5.4L V8)
- Ford E-450 dual rear wheel cutaway (6.8L V10)
- Ford E-450 dual rear wheel cutaway (6.8L V10)

2007, 2008, 2009 and 2011 model years:

- Ford E-350 dual rear wheel cutaway (5.4L V8)

CleanFUEL USA

2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011 model years:

- GM 5500 (8.1L)
- GM 6500 (8.1L)
- GM 7500 (8.1L)
- GM 8500 (8.1L)

CURRENT AND FUTURE AVAILABILITY OF VEHICLE REPLACEMENT MODELS

Mono-fuel (dedicated propane system) OEM-equivalent – New vehicle purchase for vehicle replacement is available immediately in the following propane-dedicated makes and models:

ROUSH CleanTech/Ford

2012 model year and newer:

- Ford E-150 cargo / passenger van (5.4L V8)
- Ford E-250 cargo / passenger van (5.4L V8)
- Ford E-350 cargo / passenger van (5.4L V8)
- Ford E-350 single rear wheel cutaway (5.4L V8)
- Ford E-450 dual rear wheel cutaway (6.8L V10)
- Ford F-450 chassis cab (6.8L V10)
- Ford F-550 chassis cab (6.8L V10)

CleanFUEL USA

2012 model year and newer

- GM 4500 (6L)

Mono-fuel (dedicated propane system) OEM-equivalent – New vehicle purchase for vehicle replacement is available as indicated for the following propane-dedicated makes and models:

ROUSH CleanTech/Ford

2012 model year and newer

- Blue Bird Vision Propane Powered School Bus (6.8L V10) – Availability Timing: Q2, 2012
- Ford F-250 pickup truck (6.2L V8) – Availability Timing: Q1, 2012
- Ford F-350 pickup truck (6.2L V8) – Availability Timing: Q1, 2012
- Ford F-650 chassis cab (6.8L V10) – Availability Timing: Q3, 2012

CleanFUEL USA

2012 model year and newer

- GM Freightliner straight truck Chassis (8.0L) – Availability Timing: Q4, 2011
- GM School bus – Thomas Built Type C (8.0L) – Availability Timing: Q1, 2012



fewer oil changes and experience extended engine life. For these reasons we believe driver education about the benefits of autogas paired with vehicle safety training from Blossman, will be the most significant motivator in compelling driver use of autogas. Project partners commit to working with fleets and drivers to ensure all parties are educated regarding the benefits of operating autogas vehicles. In the majority of fleet deployment programs program partners have been involved in managing, drivers experience superior performance as compared to gasoline counterparts. Drivers have been very pleased with both cost efficiency and vehicle performance including Virginia school bus drivers operating propane autogas-powered buses.

- Additionally the Commonwealth can mandate a use-case of 85% for program fleets. Detailed mechanisms for data collection and reporting will be discussed with the Commonwealth by partners pending finalization of participating fleets and vehicles to ensure the use of propane autogas at a required 85%. All collected data will be reported to the Commonwealth of Virginia.
- d) To assist as a part of this comprehensive proposal, Phillips Energy, Inc. in collaboration with additional fuel providers is able to offer Bio-diesel (20% blend) and E-85 (flex fuel). Bio-diesel presents an immediate opportunity for the Commonwealth to transition any diesel fleets that currently fuel via an on-site fueling station. The transition to bio-diesel does not require any additional investment in infrastructure. Bio-diesel has been ranging from \$.10 to \$.30 per gallon less than diesel over the last year and offers little to no reduction in fuel efficiency. Therefore, the Commonwealth would realize an immediate cost savings while displacing 20% of its diesel usage for its vehicles that fuel on-site with Bio-diesel. Phillips is aware of issues that have been experienced by fleets working with other biodiesel providers. Phillips adheres to stringent quality control processes and works closely with chemists to refine the right mix of cold flow additives to ensure biodiesel vehicles function appropriately in extreme winter weather. Bio-diesel can be delivered in small and large bulk delivered amounts. Phillips Energy, Inc. has partnered with several private fleets to transition them to bio-diesel. Additionally, Phillips offers bio-diesel to the public through our retail fueling facility. Bio-diesel presents a unique advantage with its minimal to no infrastructure costs and the ability to switch back and forth between diesel and bio-diesel in the event supply is not readily available for traveling vehicles during the Commonwealth's conversion to alternative fuels. Several OEM vehicles are approved for 20% bio-diesel use. Leading by example is also a way to support Virginia's biodiesel producers, which have been operating under capacity for several years. Only 10% of every gallon of diesel sold in Virginia stays within the Commonwealth compared to 85% of every gallon of biodiesel. Phillips can provide biodiesel in the following areas in which the Commonwealth is currently operating diesel fleet vehicles: Ashland, Charlottesville, Colonial Heights, Fairfax, Franklin, Fredericksburg, Norfolk, Peninsula, Petersburg, Powhatan, Suffolk, and has established relationships with supplementary providers for many additional geographic regions.
- e) E-85 (flex fuel) presents a solution for the Commonwealth's vehicles that are E-85 compatible. E-85 needs to be stored separately from gasoline; therefore, refueling infrastructure will be needed in areas that continue to have gasoline only fueled vehicles. However, current gasoline refueling infrastructure can be switched over to E-85, after the conversion of gasoline vehicles to a different alternative fuel. Down-blending E-85 during winter months ensures there are no problems with engine starting. E-85 presents an immediate displacement of a large volume of gasoline that is currently being used in E-85 compatible vehicles. Infrastructure, if needed, can range from small above ground storage and simple dispensing mechanism to underground storage with complex dispensing and inventory control mechanism. E-85 vehicles can be converted to propane fueling allowing a



tri-fuel approach. Phillips Energy, Inc. has already seen success displacing gasoline by offering E-85 to the public through its retail facility. E-85 results in an average of 10% reduction in fuel efficiency. However, the price difference has been ranging from 10-12% lower than regular gasoline over the last year. Phillips can provide E-85 in the following areas in which the Commonwealth is currently operating E-85 equipped fleet vehicles: Chesapeake, Fairfax, Fredericksburg, Norfolk, Petersburg, Powhatan, Richmond, Suffolk, Williamsburg, and has established relationships with supplementary providers for many additional geographic regions.

iv. Use of/need for Commonwealth-owned vehicles, resources facilities as part of program

- a) Our program will require Commonwealth cooperation in facilitating introductions to Commonwealth fleets.
- b) To provide further breakout of E-85 fueling, our group will need additional data regarding fleet fueling patterns.
- c) Currently identified Biodiesel fleet candidates include: The Department of Transportation in several counties and the Department of Corrections.
- d) Will include recommendation that Commonwealth consider provision of public land in key areas for implementation of public fueling infrastructure or group fleet fueling infrastructure with potential for scaling to accommodate public use (for phase 2 or 3)
- e) The Commonwealth should allocate personnel resources by appointing a project lead for each participating department
- f) **The following is a list of expectations required of participating fleets from the Commonwealth:**
 - Consistently adhere to safe and responsible practices in the fleet shop and while operating converted vehicles
 - Provide feedback to appropriate parties related to concerns, issues, recommendations, and successes
 - Actively participate in the implementation and adoption strategies including driver training, maintenance training, data collection and analysis, champion identification and cultivation
 - Engage in conference calls, meetings, or other means of communication in order to learn the latest program updates or expectations

v. Identification of Benefits

- a) Cost Savings and ROI (highly attractive compared to other alternative fuels)
 - Autogas costs an average of \$1.00 less per gallon than gasoline. For additional details regarding ROI please see section IV strategy financing and Addendum I Case Studies.
- b) Performance, engine life and maintenance benefits, transferability of bi-fuel systems
 - Ability to lower maintenance costs in the form of longer increments between oil changes
 - Propane fueling systems are transferable if model year range + engine type match original configuration.



- c) Local/regional/Commonwealth-level economic benefits
 - Job creation and training
 - Money spent in local economies
 - Better use of taxpayer funds
 - All fleets participating in this project and using autogas will experience lower operating costs, lower maintenance costs and financial savings due to the lower cost of propane autogas. Counties and municipalities in which this project is active will experience air quality improvement and positive economic impact from this project. Gasoline displacement
 - Emissions Reductions (see section II.b.ix for explanation of environmental benefits)
 - Use of American-made fuel
- d) The Cost effectiveness of autogas fueling infrastructure (autogas infrastructure is much less expensive than that of other alternative fuels) enables project fueling partners to provide autogas infrastructure at no upfront cost to the Commonwealth with a minimum gallon commitment for a fueling contract. And, because autogas infrastructure can be stored above ground, it is easily moved and easily scalable to accommodate growing fuel demand and any need for public fueling infrastructure.
- e) Partner equipment excellence and partner technical and training expertise
ROUSH CleanTech/Ford Training, GM CleanFuel training and AAF training.
 - ROUSH CleanTech
 - i. Equipment: ROUSH CleanTech offers the same warranty coverage available with Ford's vehicles right from the factory. All fuel systems are designed to function seamlessly with the factory vehicle, and do not result in any loss of horsepower, torque or towing capacity.
 - ii. Training: ROUSH CleanTech has developed a hands-on training program for ASE-certified mechanics and technicians to work comfortably on Ford vehicles equipped with their propane autogas fuel system. Training occurs face-to-face, and a web-based program is in place for updates and refresher opportunities. Ford dealers and service centers equipped to work on Ford vehicles do not need to purchase any new equipment to service vehicles equipped with the ROUSH CleanTech liquid propane autogas fuel system



- American Alternative Fuel: Through American Alternative Fuel's (AAF) investment in training additional installation technicians and centers, AAF ensures that a sufficient skilled labor force is in place to support all conversions which would be implemented as a part of this program. These so-called green jobs will be in existence well beyond the implementation period of this project. AAF will establish additional certified conversion centers as a direct result of this project. They will establish as many conversion centers as determined to be necessary for the successful completion of the project, if selected. AAF is also developing propane conversion systems for additional vehicle platforms; these systems will be commercially available during and beyond the period of the program. This further ensures that the "green" skilled labor jobs created under this program continue beyond the scope of this project.
- f) Benefits of a complete and diverse program: This program uniquely brings together all required components for a successful state-wide alternative fuel program for the Commonwealth of Virginia. By combining fueling equipment, technologies, training and alternative fuel provision with vehicle technology (both OEM-equivalent and aftermarket, both mono-fuel and bi-fuel) , technical expertise, training and ongoing support, the Alliance AutoGas project partners offer a comprehensive program to successfully transition thousands of Commonwealth fleet vehicles. This comprehensive program also provides budget neutrality and ongoing cost-saving benefits to the commonwealth, job creation and the opportunity for a significant shift to clean-burning, American-made alternative fuels.
- g) Partnerships with VA Universities, industry organizations and other fleets
- h) Positive PR for Commonwealth and its communities
 - The ROUSH CleanTech Marketing and Communications team will utilize a tried-and-true approach to help boost media coverage of this program. Press releases, media events, ribbon-cutting ceremonies, media follow-up, interviews, testimonials, and articles will all be organized and scheduled using our team of PR / Communications staff. Examples of successful past experiences include:
 - i. Frito-Lay Adoption
 - ii. King County, WA Adoption
 - iii. Alaska / Denali National Park Adoption
 - iv. City of Cincinnati Adoption
 - v. ThyssenKrupp Elevator Adoption
 - Blossman Gas, Phillips Energy and American Alternative Fuel as part of their efforts related to Alliance AutoGas will engage in case study development, public relations campaigns and additional communications support, related to the program, the Commonwealth and all fleet partners.
- i) Opportunities for partnership with private fleets in expansion of infrastructure – ROUSH CleanTech is engaged with a majority of the Fortune 500 fleet operators around the country. As infrastructure is developed around the Commonwealth, there are many opportunities to tie in with publicly accessible infrastructure. This would help drive the building of publicly accessible infrastructure, eventually leading to the availability of vehicles targeted at the average consumer / driver.
- j) Advantages of project partner relationships with OEM's and of OEM-equivalent technologies:
 - Seamless tie-in of technology / vehicle



- Warranty
 - Serviceability
 - Scalability
 - Other opportunities to use our engineering capabilities to improve fuel economy / emissions:
 - NVH
 - Aerodynamics
 - Lightweight Materials
 - Anti-Idling
- k) Additional Benefits: The positive aspects of converting a fleet to propane autogas are proven and substantial. Converting vehicles to operate on propane will provide the participating fleets real cost savings. Fleets will also experience lower maintenance and operating costs. These cost savings allow fleets to invest in more vehicle conversions as their fleet ages and purchase new OEM propane vehicles as they retire older vehicles. Blossman Gas is committed to expanding propane autogas public refueling infrastructure as demand warrants, and is committed to continue expansion using their own capital in activity centers where propane autogas vehicles exist. Differential fuel cost of propane versus gasoline, vehicle tax incentives, increasing conversion systems and dedicated propane vehicle availability, the dedication of Blossman and Phillips to increase refueling infrastructure, and the public relations campaigns of project partners will create the right environment for growth of propane usage by fleets and consumers in the Southeast.

We believe propane autogas is the best solution right now. As Commonwealth fleets expand, developing additional alt fuel vehicle technologies is a service that ROUSH CleanTech can offer. ROUSH CleanTech has the ability to develop/ deliver different technologies in the future giving the best solution for the Commonwealth's needs, not limited to propane autogas.

vi. Training and certification opportunities

- a) Fleet training – Safety, technical, maintenance, fueling –Confidential
- b) Confidential
- c) Fleet In-house Conversion Center
 - Confidential
- d) First Responder Training
 - Confidential
- e) ROUSH CleanTech Training
 - 1) Confidential
 - 2) Confidential
 - 3) Confidential



vii. **Rollout of proposed strategy to targeted vehicles** – *The strategies outlined in this section require further information from the Commonwealth and formal discussion/collaboration regarding Virginia's existing vehicle fleet.*

a) Top-level proposed strategy and program management plan

- 1) Phase 1** will begin immediately upon formal award of the project and will include fleet vehicle conversions, recommendation of vehicles for immediate replacement; on-site fueling infrastructure development for fleets identified as conversion candidates; fuel supply; training and education, technical safety and maintenance support. Blossman Gas and Phillips Energy are capable of rapid infrastructure deployment and scaling. Project equipment providers can respond rapidly and smoothly to demand for vehicle technologies.
- 2) Phase 2** will begin two years from the project start date and will include vehicle replacement; transfer of bi-fuel conversion systems; infrastructure development and expansion as necessary; fuel supply; additional training; ongoing support; and discussion of public fueling opportunities.
- 3) Phase 3** will begin at 5 years from project start date and will include additional vehicle replacements; additional conversion system transfers; scaling and development of infrastructure as necessary; fuel supply; additional or updated training as necessary; ongoing support; possible implementation of public fueling.

4) Initial Program Management Plan

The Key Success Factors (KSF) for this program are:

- Functional and safe operation of autogas vehicles
- User adoption of new technology measured by consistent use of autogas instead of gasoline (i.e. displacement of foreign oil)
- Comprehensive communication and feedback mechanisms, including effective program management and cooperation among all entities
- Creation of jobs and economic development
- Impactful marketing and outreach

Each factor listed above is dependent upon:

- Full cooperation and commitment among the partners and the Commonwealth's obligated parties
- Prudent and effective program management including adequate and regular communication and feedback
- Ongoing quality control
- Buy-in from drivers and fleet maintenance personnel
- Technical success

The partners will work with the Commonwealth to identify the biggest risk factors and proposed mitigation activities and facilitate communication to ensure expectations of each obligated party is clear. As described in the strategy characteristics section, Phase 1 is a critical period to setting the tone and foundation for the program's long-term success.



A three-part approach to Phase 1 is proposed to ensure success of the 5 KSF's described above:

Phase 1, Part 1: General program management process methodologies and best practices (implement protocols necessary for safe and successful deployment of autogas vehicles)

Part 1 will feature the most critical planning activities, including contingency planning. General program management activities are to include:

- Verify program management plan objectives and partner expectations, and structure communication mechanisms
- Establishing methods for ongoing verification and adherence to processes as outlined in the above, including audits, management procedures, policies
- Verifying resources needs
- Facilitation of communications

Process methodologies are to include:

- Conversion processes
- Certified technician training processes
- Fleet vehicle operator training processes
- Maintenance processes

Best practices and verification activities include:

- Refining the activities as described above based upon feedback, inspections/audits and resource needs

Phase 1, Part 2: Ongoing general program roll-out and maintenance of quality assurance. At this stage, program methodologies and best practices have been refined, including roles and expectations so that the continued roll-out of vehicles on a larger scale can be achieved efficiently and effectively. Maintaining quality assurance and user adoption will be very important activities.

Phase 1, Part 3: Ongoing quality assurance and outreach. Ongoing evaluation of the program, outreach and marketing of successes are key activities within part 3 of phase 1. These activities will lay the foundation for long-term success.

b) Technical Details of Strategy

- 1) Please see lists of vehicle certifications currently available from project partners. Please note that additional vehicle platforms are certified by project equipment partners each month and over the duration of the program more will continue to become available.
- 2) Project partners will provide all necessary training and education for Commonwealth organizations and program fleets. Certified conversion centers can be rapidly trained and deployed for vehicle conversions.



- 3) For all vehicles to be converted using the Prins bi-fuel system, American Alternative Fuel (AAF) will:
- Supply PRINS complete conversion systems with in vehicle tanks
 - Ship Conversion Systems to the Certified Conversion Centers for scheduled conversions
 - Maintain responsibility for the systems until systems arrive at conversion facility
 - Provide Three Year/Thirty Six Thousand Mile Warranty for conversion system
 - Provide conversion system operation and maintenance training, manuals, and information to fleet partners
 - Communicate with conversion centers and fleets to ensure their systems are functioning properly, and to answer questions from fleet technicians and vehicle operators
 - Provide Installation Manual for vehicle conversions, and continue to provide any updates, technical service bulletins, and notifications to Conversion Center partners
 - Supply all vehicle EPA certifications for vehicles to be converted
 - Locate Conversion Centers to perform vehicle conversions
 - Assess Conversion Center capability and management ability to perform vehicle conversions per an agreed upon conversion schedule
 - Train and certify conversion center technicians to install conversion systems
 - Provide technical assistance to conversion centers throughout the course of this project
 - Train fleet maintenance technicians of all fleets participating in the program so they understand the system and perform preventative maintenance
 - Provide maintenance manual for all fleets

viii. Benefits to Commonwealth citizens and visitors

a) Economic and tax related

- Commonwealth vehicles operating on propane autogas will experience significant fuel-cost and maintenance savings. These cost savings will ultimately enable Commonwealth fleets to better steward taxpayer dollars.
- This program will create jobs in the areas of construction of the fueling facilities, the training and certification of the conversion centers, the procurement and distribution of the autogas and the administration of the integrated program of Alliance AutoGas. The economic benefits of this project include jobs created or retained due to the conversions of the vehicles, the production of OEM equivalent autogas vehicles and upgrading and building new fueling stations. Many of the jobs created will be the endpoint of a process of retraining skilled workers to transition from traditional trades to alternative energy-focused green jobs. Additionally, the fleet operators will experience lower operating costs, lower maintenance costs and financial savings due to the lower cost of propane autogas. Autogas fleets will also be insulated from price spikes associated with conventional gasoline.

- b) Infrastructure development** – By implementing onsite fueling infrastructure for fleets and later public fueling infrastructure in those areas of greatest demand, the number of clean-burning propane autogas vehicles and the breadth of Commonwealth-wide autogas infrastructure will grow



simultaneously. As Commonwealth fleets necessitate greater fueling demand, project partners will address demand with additional infrastructure and continue to grow the Commonwealth's state-wide fueling network. This will increasingly enable additional private fleets as well as individuals to have confidence in transitioning to autogas. Project fueling partners will also provide onsite fueling infrastructure at no up-front capital cost to private fleets within the Commonwealth and beyond, which convert fleet vehicles to run on propane autogas or purchase autogas-powered vehicles, provided that minimum gallon requirements are achieved.

- c) **Clean air** – Propane autogas powered-vehicles reduce harmful Greenhouse Gas emissions by more than 22 percent (see next section II.b.ix for explanation of environmental benefits).
- d) **Reduced dependence on foreign oil** – the U.S. supply of propane autogas is more than 90% domestically produced, with an additional 7% coming from Canada.

ix. Environmental Advantages and Disadvantages of Strategies

- a) The team takes environmental safety and quality very seriously. This project is aimed at protecting the environment through enhanced air quality reducing dependence on foreign oil, saving money and creating jobs. To that end, the team will rigorously adhere to all local, state and national environmental protection standards when constructing new fueling infrastructure. Blossman and Phillips already operate numerous permitted propane facilities within the Commonwealth, and estimates permitting, environmental and safety review for a new facility will take from three to eight months, with most construction complete within twelve months depending upon the magnitude of infrastructure required based on detailed examination of Commonwealth fleets joint between project partners and the Commonwealth in the second round of this proposal (pending selection).
- b) Propane autogas powered-vehicles reduce harmful greenhouse gas emissions by more than 22 percent
 - Propane autogas vehicles typically achieve:
 - Over 20% less carbon monoxide
 - A greater than 40 % reduction in nitrogen oxides
 - Just over 10% less carbon dioxide
- c) According to Argonne national laboratories (see below), if this program were to convert or replace 3,383 Commonwealth vehicles, or supply biodiesel or E-85 for accordingly equipped vehicles, (at a breakout of 2,181 propane autogas vehicles, 848 biodiesel vehicles, 354 E-85 vehicles), each traveling an estimated 25,000 miles annually, the following **total emissions displacements would be achieved each year** that the sum total of these vehicles operated on their respective alternative fuels:
 - 872,548.2 pounds of Carbon Monoxide
 - 54,458.2 pounds of Volatile Organic Compounds
 - 565,487.9 pounds Nitrogen Oxides
 - 6,934.9 pounds Fine particulate matter
 - **16,175,004.6 Pounds of Greenhouse Gas (CO2 Equivalent)**
 - Over 10 years, the same number of vehicles would displace **more than 161 million pounds of Greenhouse Gas (CO2 equivalent)**



x. Economic development benefits

- a) The economic benefits of this program include
 - Significant fuel cost savings for all transitioning vehicles to operate on propane autogas
 - Fuel Cost Savings: Autogas averages at least one dollar per gallon less than gasoline (Please see section III.b.ii. *Fuel Cost Savings*)
 - Infrastructure: Because project fuel providers offer onsite fueling with no capital outlay required from the Commonwealth (with fueling contract and a minimum number of vehicles or gallon usage), fuel cost savings have an immediate impact
 - Reduced maintenance costs resulting from fewer oil changes
 - The creation of green collar jobs through personnel required for infrastructure implementation and construction, technicians for vehicle conversions, ongoing service providers, fuel provider support, fleet cost savings which contribute to saved and created jobs.

xi. Work to be performed by targeted public entities

- a) Identifying a champion within each fleet department
- b) Working with team to agree upon expectations of program up-front and disseminating to responsible parties within organization
- c) Making vehicles available for conversion
- d) Possible in-house conversion centers
- e) Engaging in and providing access to fleet personnel for training and education to ensure driver buy-in, safety and smooth operation of program overall
- f) Collecting data, as necessary, and providing feedback
- g) Communicating with project management team, to be comprised of Alliance Autogas Extended Partners and Commonwealth lead Project Managers
- h) Provision of documentation to facilitate financing if appropriate
- i) Work with fuel provider(s) to secure permitting an electrical supply for infrastructure sites

xii. Any front end or future costs to the targeted or public entities

- a) Vehicle Costs: Costs to commonwealth will be limited to the cost of vehicle conversion or incremental replacement costs for propane autogas-powered vehicles. The Commonwealth will incur no vehicle related costs as it relates to E-85 or Biodiesel vehicles referenced in this program. **Please see strategy financing section for details regarding financing options available through project partners, or CMAQ funds, as well as pricing and ROI.**
- b) Should larger Commonwealth fleets with in house technicians wish to be certified as vehicle conversion centers for installation of the PRINS system, additional savings will be realized. Those fleets which are certified to perform their own conversions may save an average of \$1,000 in labor costs per conversion.



- c) Infrastructure Cost: Fueling providers will provide necessary infrastructure at no upfront capital cost to Commonwealth pending minimum-gallon fueling contracts. This is increasingly beneficial to the Commonwealth in areas that already have large fuel storage capacity which is owned by project partners.
- d) Will explain cost neutrality to Commonwealth for additional fuel implementation. If project fleets and fleet entities outside the project demonstrate sufficient demand, and should the Commonwealth make available lands for infrastructure construction, Alliance partners could easily incorporate scalable public autogas fueling infrastructure at no upfront capital cost to the Commonwealth.

xiii. Confidential

xiv. Confidential

xv. Confidential

xvi. Confidential

xvii. Confidential

xviii. Confidential



III. STRATEGY FINANCING

a. Confidential

i. Confidential

ii. Confidential

b. Confidential

i. Confidential

ii. Fuel Cost Savings

a) Alliance AutoGas Fuel Comparison Charts

AUTOGAS VS GASOLINE: AVERAGE COST DIFFERENTIAL

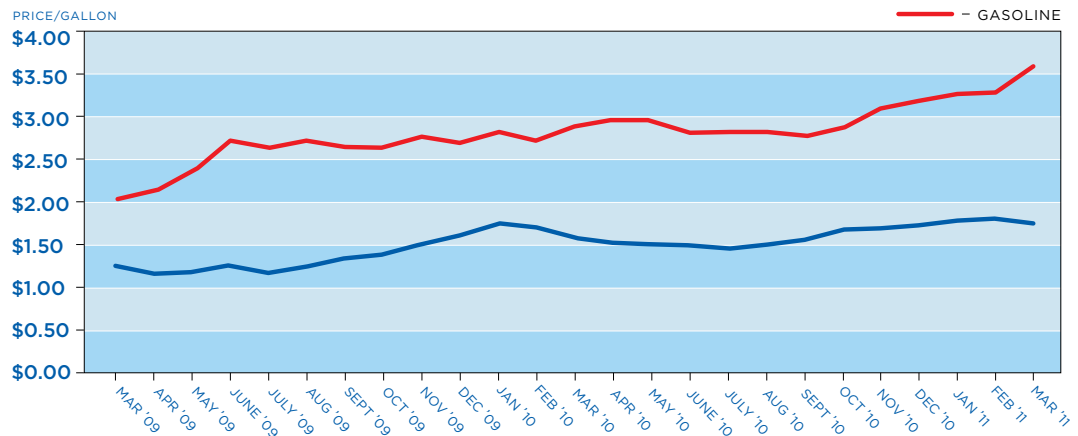
GASOLINE	\$1.98	\$2.00	\$2.11	\$2.31	\$2.68	\$2.59	\$2.68	\$2.63	\$2.61	\$2.71	\$2.67	\$2.78	\$2.71	\$2.83
PROPANE AUTOGAS	\$1.80	\$1.70	\$1.62	\$1.64	\$1.73	\$1.65	\$1.73	\$1.81	\$1.88	\$1.98	\$2.08	\$2.22	\$2.19	\$2.06
AUTOGAS LESS 50¢ TAX CREDIT	\$1.30	\$1.20	\$1.12	\$1.14	\$1.23	\$1.15	\$1.23	\$1.31	\$1.38	\$1.48	\$1.58	\$1.72	\$1.69	\$1.56
TOTAL DIFFERENCE	\$0.68	\$0.80	\$0.99	\$1.17	\$1.45	\$1.44	\$1.45	\$1.32	\$1.23	\$1.23	\$1.09	\$1.06	\$1.02	\$1.27
	FEB '09	MAR '09	APR '09	MAY '09	JUNE '09	JULY '09	AUG '09	SEPT '09	OCT '09	NOV '09	DEC '09	JAN '10	FEB '10	MAR '10

GASOLINE	\$2.91	\$2.92	\$2.78	\$2.78	\$2.80	\$2.75	\$2.84	\$2.90	\$3.03	\$3.14	\$3.22	\$3.59	\$2.73
PROPANE AUTOGAS	\$2.03	\$2.00	\$1.94	\$1.90	\$1.97	\$2.04	\$2.14	\$2.16	\$2.21	\$2.31	\$2.35	\$2.30	\$1.98
AUTOGAS LESS 50¢ TAX CREDIT	\$1.53	\$1.50	\$1.44	\$1.40	\$1.47	\$1.54	\$1.64	\$1.66	\$1.71	\$1.81	\$1.85	\$1.80	\$1.48
TOTAL DIFFERENCE	\$1.38	\$1.42	\$1.34	\$1.38	\$1.33	\$1.21	\$1.20	\$1.24	\$1.32	\$1.33	\$1.37	\$1.79	\$1.25
	APR '10	MAY '10	JUNE '10	JULY '10	AUG '10	SEPT '10	OCT '10	NOV '10	DEC '10	JAN '11	FEB '11	MAR '11	AVERAGE

Note: The figures above are based on national averages for Autogas and gasoline prices (as listed by the US Energy Information Administration) and based on a standardized average for state-level taxes on Autogas (propane as a vehicle fuel), many states allow the purchase of a vehicle decal to substitute in place of paying state level Autogas taxes.

AUTOGAS COSTS AN AVERAGE OF \$1.25 LESS THAN UNLEADED GASOLINE

AUTOGAS VS GASOLINE PRICES



b) Confidential

iii. Additional Cost Savings

- a) Our fleet customers report extended engine life and reduced vehicle maintenance as a product of propane's high-octane rating and clean-burning nature. Fleets have reported a double in oil life, meaning half as many oil changes for each vehicle running on autogas.
- b) Our fleet customers report extended engine life and reduced vehicle maintenance as a product of propane's high-octane rating and clean-burning nature. Fleets have reported a double in oil life, meaning half as many oil changes for each vehicle running on autogas.
- c) There are significant cost advantages with our complete program, particularly with the complimentary extensive training as previously outlined and ongoing support.
- d) Case Studies: Please see partner case studies included immediately after this document as Addendum I.
- e) Another cost advantage to our program is that it is tiered to allow for cost effective gradual adoption. For \$5,800 per vehicle, we can provide after-market bi-fuel autogas/gasoline conversions for existing fleet vehicles. Then as vehicles are retired this year and beyond, we offer OEM- equivalent mono-fuel propane autogas models for incremental costs ranging from just \$9,000 - \$12,000 per vehicle for light-duty vehicles to \$16,500 for medium-duty chassis.
- f) Transferability – The majority of our autogas systems are also transferable. The Prins bi-fuel system can be removed from one vehicle and transferred to another vehicle of the same engine type. The original vehicle can then be resold as a gasoline only vehicle. The ROUSH CleanTech Ford OEM- equivalent vehicles can have the autogas systems removed and laid onto another vehicle of the same make model and engine type. This is a critical distinction compared to electric vehicles.

c. Plan for development, financing and operation of proposed strategies, include proposed sources and uses for funds

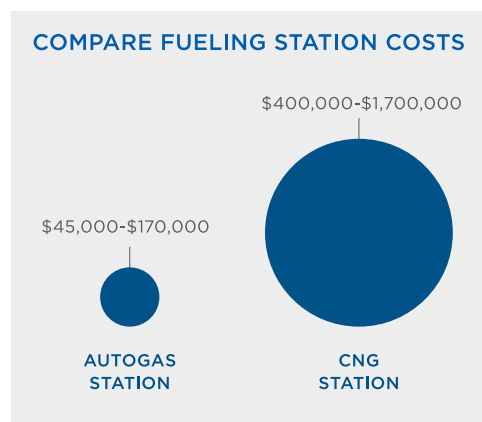
i. Vehicle Equipment/Vehicles

- a) The Commonwealth or state-agency fleets may provide funds to cover upfront conversion costs. Fuel neutrality is maintained through the rapid ROI achieved with autogas fuel cost savings. And alternate funds like those available through CMAQ may be incorporated to cover initial capital outlay
- b) Alliance AutoGas Partners also offer several options for vehicle technology financing.
 - Financing /leasing programs for the Prins system are available through Alliance AutoGas
 - Financing for OEM-equivalent autogas vehicles is available directly through the dealership. Ford dealerships and Fleet Leasing Companies (ARI, Donlen, etc.) treat the fuel system as an “accessory” and wrap the cost into the total cost of the vehicle, which is then financed by the dealership (if necessary).
 - For OEM-equivalent GM vehicles, for an entity with the credit worthiness of the Commonwealth of Virginia, Ally (formerly GMAC) would likely finance as would other capital leasing companies.
- c) Commonwealth fleets can also see savings through in-house conversion for bi-fuel, aftermarket systems.



ii. Infrastructure

- a) Alliance AutoGas partners provide onsite propane autogas fueling infrastructure at no cost to fleets with a fuel contract (based on a minimum number of gallons and vehicles).
- b) Propane autogas fueling infrastructure is easily and rapidly scalable to accommodate fleets who might expand their autogas program over time and/or the development of public fueling infrastructure.
- c) Our fueling providers offer expert training and long-standing safety expertise, in addition to competitive fuel contracts and their provision for infrastructure development.
- d) Currently, alternative fuel vehicles including autogas vehicles receive a 50-cent per gallon tax credit on fuel costs.
- e) There are no associated infrastructure costs for biodiesel implementation.
- f) Autogas infrastructure costs on average ten percent less than comparable CNG infrastructure.



d. Identification of local, state or federal resources (grants, tax incentives, etc.) that the proposer contemplates requesting for the plan

- i. Alliance AutoGas Partners propose that the Commonwealth incorporate CMAQ and other Commonwealth or fleet funds into investment in conversion equipment or incremental vehicle replacement costs
 - a) Commonwealth/Fleets should aggregate this funding from any available grant funding or from standard annual budgets based on rapid ROI
- ii. Propane industry representatives are aggressively pursuing extension of the current 50-cent-per-gallon federal excise tax credit, currently set to expire December 31, 2011.
- iii. Biofuel industry representatives are pursuing extension of the \$1.00 per-gallon biodiesel fuel credit and the E-85 45-cent-per-gallon credit, both of which are also approaching expiration December 31, 2011.



- iv. Capital outlay for vehicle conversion or incremental cost for replacement vehicles will be incurred as vehicles are converted/replaced through over the course of the program. These costs should be recuperated in full through fuel cost and maintenance savings.
- e. **Identify amounts, terms and conditions for any revenue sources:** Previously identified fuel cost savings.



IV. STRATEGY BENEFIT AND COMPATIBILITY

a. Expansion of community benefits and economic impact on Commonwealth and local communities

i. Tax revenue to be generated for Commonwealth and political subdivisions

- a) Tax revenue generated by Commonwealth will include any taxes accrued by the use of public autogas infrastructure which may be established through this program. Additionally, the small business growth which may result from this endeavor would yield additional tax revenue. Tax revenue generated by new vehicle purchases would also contribute to various communities within the Commonwealth.

ii. Jobs generated for VA residents

- a) Through job development and subcontracting with installation centers and certified conversion centers. This program will create technician and skill-based jobs and provide significant growth opportunity for small businesses within the Commonwealth, including fuel provider Phillips Energy. This will also provide for business development and expansion (including job creation) for larger project partners that already have a Virginia presence to grow their presence in the Commonwealth and to increase the tax revenues they generate for the Commonwealth and the positive economic impact they have in each of the associated areas within Virginia.
- b) Some examples of jobs generated through project partners would include:
 - Construction workers and contractors for infrastructure development
 - Ongoing support and maintenance
 - Alliance Autogas expanded partnership fleet contacts
 - Fleets performing their own conversions will hire technicians
 - Fleets saving money through fuel costs can make additional hires
 - Additional equipment provider and gas provider jobs generated through market expansion and growth in VA and beyond
 - Money saved by the Commonwealth which can be used for other projects like public infrastructure improvement and new job creation
 - ROUSH CleanTech estimates that for every 100 vehicles sold, 1 new job is created somewhere within our supply-chain. That doesn't include end-use savings that help justify new job creation, or installation of new infrastructure, etc.
 - Job security based on additional skills/training

iii. Number and value of subcontracts generated for VA subcontractors

- a) Conversion Centers – Job creation may include conversion technicians, ongoing service providers, center administrators and management.
- b) Construction entities for infrastructure installation and development will also provide for additional job creation of construction professionals and contractors, administrators to facilitate permitting etc.



b. ID anticipated public support or opposition as well as any anticipated government support or opposition

- i. Public initiatives in support of autogas which have been underwritten by project partners, to-date, have seen highly positive response from the media and the public.
 - a) Alliance AutoGas: <http://www.allianceautogas.com/resources/news/>
 - b) ROUSH CleanTech: <http://www.roushcleantech.com/tags/clean-tech-news-0>
 - c) CleanFUEL USA: http://cleanfuelusa.com/cleanfuel_usa_in_the_news.aspx
- ii. One major advantage of a program which relies heavily upon propane autogas technologies is the rapid ROI as described in the previous sections. This rapid return on investment and true budget neutrality, unachievable among many alternative fuels, positions this program uniquely to lessen the taxpayer burden. Project partners commit to working with program fleets to identify ways in which program-associated fuel and maintenance cost savings are being re-appropriated to better steward taxpayer funds, and to assist in public messaging outreach to communicate the aforementioned endeavors.
- iii. All fleets and state-agencies associated with this program will have the opportunity to engage in highly positive branding initiatives related to both clean fuel and domestically produced energy. Project partners have extensive background knowledge of these types of branding initiatives and can consult/collaborate with program fleets to ensure successful public engagement.
- iv. Ongoing program expansion market growth: The nationwide network of propane pipelines and access points is the most extensive and accessible existing infrastructure of any alternative fuel. Rather than taking on the task of building, from the ground up, infrastructure and fueling points, propane autogas distributors are faced with a much simpler challenge: making the appealing argument for the many benefits a vehicle owner will enjoy if he or she converts their vehicle to run on autogas. The cost of equipment and labor for conversion, even unsubsidized, is low enough to be attractive to consumers interested in seeing a short-term return on their investment. Our team projects exponential growth as the number of vehicles, visibility of autogas, and accessibility of infrastructure make the use of propane autogas vehicles more and more attractive. The support provided by the Commonwealth for this program will, more than anything, dramatically accelerate the speed at which we near a tipping point. The more than 17 million vehicles worldwide that run on propane autogas testify to the fact that, when its launch is supported by local, Commonwealth and federal stakeholders, the fuel is immediately viable and potentially transformative. Australia's LPG fleet of 600,000 vehicles is the fifth largest in the world and Australia ranks third highest per capita in the world in Autogas consumption. Australia supports this Autogas conversion with an extensive network of LPG refueling stations, with over 3,000 retail outlets across the nation. It is therefore possible to drive anywhere on Australia's main road system using existing LPG refueling stations. Government support in South Korea, Poland and Australia has ushered their domestic autogas markets into the mainstream, and we see even greater potential in the U.S., where some 90% of propane is produced domestically and existing distribution networks are extensive. Propane autogas will, undoubtedly, transform the vehicle fueling marketplace and contribute to gasoline displacement and the viability of alternative fueling, particularly in the proposed footprint for the Commonwealth of Virginia. The proposed project would simply stimulate and catalyze organic growth and drastically shorten the timeline between today and the day that idea becomes a reality.



- c. Communications and marketing or PR plans for informing the public, business community, local governments, and government agencies affected by strategies**
- i. Each fuel provider will provide the primary program contact for the fleets they supply with fuel
 - ii. This group recommends partnership with the Commonwealth of Virginia for centralized program communications, pending further discussion with the Commonwealth regarding available personnel
 - iii. Each partner entity has plans for public relations outreach through both traditional and non-traditional media; partners will be willing to coordinate with fleets and Commonwealth to ensure positive coverage for all parties among the media, local governments, the business community and the general public.
 - iv. Each partner will make available to fleets existing collateral materials regarding technologies and fueling programs as well as extensive training materials; partners will make available relevant talking points to fleets and program personnel
 - v. Partners will collaborate with fleets and the Commonwealth regarding opportunities to leverage green branding
 - vi. All project partners are committed to growing the propane autogas and alternative fuels markets in the Commonwealth of Virginia and in the U.S. overall, beyond the course of this program
- d. Describe compatibility of the strategies with local, regional, and state economic development efforts**
- i. This program uniquely aligns with Commonwealth, regional and local priorities to achieve reduced dependence on gasoline and reduced dependence on foreign oil, without sacrificing budget neutrality. All fleets, both public and private, participating in this program should achieve rapid ROI. This program will provide directly for significant cost savings for all associated fleets as well as direct provision of green-collar jobs. By building up infrastructure, providing clean-burning fuel, and training local technicians and service providers, this program is building into the overall Virginia economy and the economies of each of the specified fueling regions. This particularly aligns with goals of green collar economic development. Furthermore, this program will enable the Commonwealth of Virginia to position itself uniquely among states as an innovator and pioneer in alternative fueling technology development. This diverse and complete program will allow the Commonwealth to leverage this green branding in a way that will attract both additional commerce and tourism.
 - ii. This program also aligns with the gubernatorial administration's desire to stimulate market growth and development in the alternative fuels sector. This program will expand the presence of propane autogas rapidly by growing the number of on-road autogas vehicles and the quantity of autogas fueling in the Commonwealth, simultaneously. This will be an unprecedented state-wide program. Because this program also allows for bio-diesel and E-85 fueling, it will enable the state-level growth of three alternative fuel markets simultaneously.
 - iii. Also, rapid expansion of autogas technology adoption in VA, allows the Commonwealth government to tout their implementation of shovel-ready alternative technologies, making significant strides now in the use of clean, American-made fuels, in the interim to true energy independence and complete displacement of gasoline.
- e. Where it is practicable for any portion of an award of contract as a result of this proposal to be subcontracted to other suppliers, all partners will commit to prioritizing offerings of such business to small, women, and/or minority owned businesses.**

Please See Case Studies Immediately Following.



ADDENDUM I

Case Studies



CASE STUDY: AIRPORT SHUTTLE NEW ORLEANS

BACKGROUND

Airport Shuttle New Orleans is the official ground transportation company for the Louis Armstrong New Orleans International Airport, and carries approximately 435,000 passengers annually. Since the company operates in an intensively metro environment and runs shuttles daily for multiple shifts, managing fuel costs and maintaining performance are critical.

Airport Shuttle N.O. experimented with propane autogas-powered vehicles in the early 1990s, so they knew switching to propane autogas would result in fuel cost savings and reduced vehicle maintenance needs. In 2007, new advances in vehicle technology made switching to autogas truly viable and practical for their business. They chose Alliance AutoGas to get their Ford vans running on autogas because of the network's comprehensive program for vehicle conversion, onsite fueling and ongoing support.

PROGRAM SNAPSHOT

Airport Shuttle now runs 24 out of 40 fleet vehicles on propane autogas. The vehicles were converted using the Prins VSI bi-fuel system from Alliance AutoGas founding partner, American Alternative Fuel. The company is also saving roughly \$129,504 annually.

"The price differential makes autogas a very attractive alternative fuel," said Don Duvernay, general manager of Airport Shuttle. "When we looked at how quickly we would reach a return on investment, it was a no-brainer. All our vehicles will eventually run on autogas."

Eager to demonstrate environmental stewardship by reducing greenhouse gas emissions (particularly those attributable to airport operations), the company was impressed with the 20 percent reduction in harmful emissions achieved by autogas-powered vehicles.

WORKING WITH ALLIANCE AUTOGAS

Airport Shuttle worked with Alliance AutoGas (cofounded by American Alternative Fuel and Blossman Gas) to launch their autogas program. The American Alternative Fuel system was recommended by a local dealer, and Duvernay was attracted by Blossman's reputation for reliable and friendly service. Headquartered within 100 miles of New Orleans, Blossman is also known for its 60-year record of service excellence in the region.

The bi-fuel capability of the conversion system is critical to Airport Shuttle because it gives drivers the ability to operate on gasoline if necessary. The cost of the Prins VSI system from American Alternative Fuel is more affordable than other competing technologies available today.

When a fleet vehicle reaches the end of its useful life, the Prins system is transferable to the next-generation vehicle, which also means the vehicle being retired can be resold in its original OEM configuration. This is an important advantage for Airport Shuttle, which typically replaces vehicles on a four-year cycle.



Don Duvernay,
General Manager
New Orleans, LA

FLEET STATISTICS

FLEET TYPE: Shuttle Service

PERCENT OF FLEET RUNNING ON AUTOGAS: 65%

AUTOGAS VEHICLES IN FLEET: 24

TOTAL ESTIMATED ANNUAL SAVINGS: \$122,304 in fuel savings and \$7,200 in maintenance savings

ADDITIONAL VEHICLES SLATED FOR AUTOGAS CONVERSION: 16

ANTICIPATED ANNUAL USAGE (gallons of autogas): 124,800 gallons

ANNUAL MILEAGE/VEHICLE: 60,000

AUTOGAS FUELING: Onsite autogas fueling infrastructure, including one 2,500-gallon autogas tank

TIME OPERATING ON AUTOGAS: 3 years



CASE STUDY: AIRPORT SHUTTLE NEW ORLEANS

WORKING WITH ALLIANCE AUTOGAS (CONTINUED)

For the most convenient and economical vehicle refueling process, Blossman Gas installed a 2,500-gallon tank and pistol-grip pump onsite at no upfront cost to the fleet. Blossman also manages fuel supply for the autogas station, which fills vehicle tanks in the same time required to fill up with conventional gasoline. Duvernay cites excellent service and training from Alliance AutoGas:

If we have an issue, they are here, dedicated to meeting our needs. Some people are unfamiliar with autogas, but Alliance has done a great job overcoming all that. All drivers have been trained on how to fuel properly and safely.

Alliance AutoGas even sent personnel from Blossman Gas to come in and answer questions from the drivers and get them comfortable with the technology. The Blossman guys are subject-matter experts, and they've seen it all before. They have been a very good partner, always taking care of us and willing to work with us to make this thing go.

RESULTS AND AUTOGAS BENEFITS

Because Airport Shuttle New Orleans deploys their vehicles almost entirely in a metro setting and utilizes air-conditioning during all operational hours for at least 7 months of the year, their gasoline consumption is considerably higher than with typical highway driving. Higher gasoline consumption means the company's total savings realized from converting vehicles to autogas is also higher. Since converting 65 percent of their fleet, the company is achieving annual fuel cost savings of \$122,300.

Additionally, the high octane rating of autogas, coupled with clean-burning combustion, yields cleaner oil and longer lasting engine filters, making autogas a great alternative from a maintenance perspective. Duvernay estimates that Airport Shuttle has reduced standard vehicle maintenance by half. With 24 autogas-powered vehicles, that's a reduction from 288 oil changes per year to 144 – a savings of roughly \$7,200.

Beyond the tremendous cost savings, using autogas benefits the environment and contributes to American energy security. These far-reaching benefits make autogas an ideal fuel for Airport Shuttle, says Duvernay, who equates “going green” with corporate responsibility. “We do it because it's the right thing to do, it saves us money, and it makes us good corporate citizens. It's great from all three angles, and it has been a good choice for us.”

Duvernay also notes that customers love to see the company doing its part for the environment and using American-made fuel. They get particularly positive media coverage for this, in addition to positive feedback from patrons.

MOVING FORWARD

Airport Shuttle is extremely satisfied with the benefits they are experiencing as a result of converting 24 of its vehicles to propane autogas. Duvernay and his team are eager to get the remaining 16 fleet vehicle conversions underway.

As an early adopter of this alternative technology, Duvernay would like to see “a bigger push for this alternative fuel among automakers because it would be beneficial to both fleets and individual consumers.” He also hopes for wider autogas adoption in the future. “The more available this becomes, in terms of access, the more beneficial it will be for everyone.”



CASE STUDY: JACKSON COUNTY

BACKGROUND

Stan Evans, Sheriff of Jackson County, Georgia for the past 26 years, was familiar with propane from his days in the farming business, but didn't know it could be used as an alternative fuel in vehicles. When gasoline prices spiked in 2008 and hurricane activity threatened to interrupt fuel supply, he began researching cost-saving alternative fuels and quickly identified propane autogas as the best fit for his fleet.

THE PROGRAM

Jackson County worked with Force 911 of Georgia to convert four vehicles to run on propane autogas, using the Prins VSI system from Alliance AutoGas founding partner, American Alternative Fuel. After three years, what began as an experiment with just four squad cars running on autogas has expanded to include well over half of the Sheriff's vehicle fleet. Now with 60 autogas-powered vehicles, the Sheriff's office saves over \$110,000 annually – savings Evans estimates will only increase in the coming months (this does not include currently available federal tax credits).

As is the case with many law enforcement offices, the bi-fuel component of the Prins system was critical to the department's ability to operate alternative fuel vehicles. They run entirely on autogas whenever possible, but knowing that the engine automatically switches to gasoline in the event they cannot reach an autogas fueling station provides peace of mind.

WORKING WITH ALLIANCE AUTOGAS

Jackson County recently contracted the fueling services of Alliance AutoGas founding partner, Blossman Gas. Sheriff Evans cites their safety support and knowledge of autogas use as "beyond comparison." Working with Blossman afforded the department another level of comfort, based on their extensive knowledge and understanding of the fuel and the conversion systems. Sheriff Evans considers Alliance AutoGas "tops in their field." Sheriff Evans continued:

*We had a great need for additional training of our staff and our patrol officers – a need to better understand how the system worked and the best practices for dispensing autogas into the vehicle itself. There were a lot of areas we needed to address that we weren't addressing. Alliance AutoGas (Blossman and American Alternative Fuel) provided an overwhelming response to our needs. **They were on the ball, and their knowledge and training were outstanding.***

Since we've teamed with them, they've been with us every step of the way, offering their expertise and advice — and working to make the program a successful endeavor for everyone involved. Their assistance has been exceptional and we've really enjoyed working with them.

Alliance AutoGas provides Sheriff fleets like Jackson County with a turnkey solution of vehicle conversion, onsite fueling, ongoing safety training and technical support.



Sheriff Stan Evans
Jackson County, Georgia

FLEET STATISTICS

FLEET TYPE:

Law Enforcement

PERCENT OF FLEET RUNNING ON AUTOGAS: 66%

AUTOGAS VEHICLES IN FLEET:

60 (58 Ford Crown Victorias; 2 pick-up trucks)

ADDITIONAL VEHICLES SLATED FOR AUTOGAS CONVERSION:

20

ANNUAL COST SAVINGS:

\$110,000 - \$145,000

With autogas use versus gasoline gallon equivalent

ANTICIPATED ANNUAL USAGE (gallons propane autogas):

120,000- 140,000

AUTOGAS FUELING:

Onsite autogas fueling infrastructure including 18,000-gallon autogas tank.

TIME OPERATING ON AUTOGAS:

3 years



CASE STUDY: JACKSON COUNTY

RESULTS AND AUTOGAS BENEFITS

Following the conversions of their first four autogas-powered cruisers, the department liked what they saw and began expanding their program. They are saving tax-payer dollars by reducing fuel costs more than 30 percent, and as their autogas fleet continues to grow, so do their fuel cost savings. Current cost savings for the Sheriff's office are estimated at \$110,000 with 60 vehicles and expected to increase to at least \$145,000 with the additional 20 vehicles slated for conversion this year.

Beyond cost savings, Evans objected to "sending all our money overseas," and was eager to contribute to our national energy security with American-made autogas. "I felt we needed to do our part to keep our money here at home, contributing in a small way by not buying foreign oil – and propane autogas was a great alternative."

The Sheriff also praised the positive environmental impact of a cleaner-burning fuel, including a 20 percent reduction in greenhouse gas emissions. Additionally, the team at Jackson County believes the high octane rating of clean-burning autogas will result in extended engine life.

Jackson County deputies are pleased with the performance of the autogas vehicles. Sheriff Evans notes that autogas is as safe as gasoline if handled properly.

MOVING FORWARD

Now, with 60 of 90 fleet vehicles running on autogas, the Sheriff's office plans to convert 20 additional vehicles this year.

"I think it's a worthy endeavor on the part of Sheriffs' offices, and smart people will be looking to the use of autogas more and more in the coming years," says Evans. "Price and supply will dictate it." Evans would like to see more people utilizing alternative fuels like autogas, including car manufacturers. With the savings and environmental benefits associated with autogas, the Jackson County department expects to see significant growth in the fuel's use.

"There's only one way for this to go, and it's up," says the Sheriff. "When you can burn propane autogas as safely and cost effectively, why would you ever want to spend money on a gallon of gasoline?"



CASE STUDY: MOUNTAIN MOBILITY

BACKGROUND

Mountain Mobility is a transportation services provider for the general public and a wide range of organizations just outside Asheville, North Carolina. Established by Buncombe County in 1989 to provide for a few core human service agencies, the fleet has now grown to 37 vans and five small buses, with a mission not only to provide transportation services, but also to “assume a leadership role in developing public and private partnerships within the community to address the increasing demand for transportation throughout the region.”

Forward thinking transportation agencies are always searching for ways to control costs and demonstrate environmental stewardship. This desire for innovation led Mountain Mobility to team with Alliance AutoGas for the launch of their propane autogas clean-vehicle program.

THE PROGRAM

“Making the switch to a propane autogas system was an easy decision for the Buncombe County Commissioners to make, after learning about the environmental benefits, fuel savings and lower-maintenance advantages of propane autogas,” says Lori Hembree, Director of Mountain Mobility.

WORKING WITH ALLIANCE AUTOGAS

Alliance AutoGas was a natural fit for Mountain Mobility because it provides vehicle conversion, fueling infrastructure and the fuel itself in one integrated process. The project's vehicle conversions were performed by German Motor Werks of Asheville, N.C., and the fueling is supplied by Blossman Gas, Inc. of Ocean Springs, Miss., both Alliance AutoGas partners.

In addition to converting the vehicles, German Motor Werks trained the Mountain Mobility maintenance personnel on the new systems and also houses a fueling station the drivers (and public) can use, making this clean-burning and economical fuel more widely available.

Blossman installed an onsite fueling station at Mountain Mobility to increase the ease of use for drivers and overall convenience for the fleet. The 1,000 gallon fueling infrastructure, which Blossman provided at no upfront cost to Mountain Mobility, will be a “major plus for the program,” according to Hembree.

Mountain Mobility's 10 autogas-powered vans operate on the bi-fuel Prins VSI system provided by Alliance AutoGas equipment provider, American Alternative Fuel. The bi-fuel systems allow Mountain Mobility's drivers a reserve capacity in the event that an autogas fueling station is not accessible.

The transferability of the Alliance conversion system particularly impressed Mountain Mobility. When vehicles are retired from the fleet, the conversion system can be transferred to any vehicle with the same number of engine cylinders, for which American Alternative Fuel can provide an EPA certification; then the retired vehicle can be re-sold in its original configuration.



Lori Hembree, Director
Asheville, North Carolina

FLEET STATISTICS

FLEET TYPE:

Public Transportation

**PERCENT OF FLEET RUNNING
ON AUTOGAS: 25%**

AUTOGAS VEHICLES IN FLEET:
10 (Ford E-350 paratransit vans)

**TOTAL ESTIMATED ANNUAL
SAVINGS: \$53,096** for 10
vehicles

**ADDITIONAL VEHICLES SLATED
FOR AUTOGAS CONVERSION:**
Pending additional funding

ANNUAL MILEAGE (per vehicle):
71,428

AUTOGAS FUELING:
Onsite autogas fueling infrastruc-
ture, including 1,000-gallon autogas
tank; access to public autogas
fueling station at German Motor
Werks in Asheville.

TIME OPERATING ON AUTOGAS:
6 months



CASE STUDY: MOUNTAIN MOBILITY

RESULTS AND AUTOGAS BENEFITS

Mountain Mobility benefited immediately from savings with autogas. Now, with the local public autogas station charging significantly less per gallon than gasoline, estimated annual savings are accelerating. Mountain Mobility also expects an annual maintenance cost reduction with the autogas-powered vans, due to fewer oil changes, lower filter costs and other related vehicle maintenance savings. If current fuel prices hold, Mountain Mobility will save an estimated \$53,096, this year alone, with just 10 vehicles. If fuel prices rise, savings will increase.

The reduction of toxic vehicle emissions tops Mountain Mobility's priority list, and with autogas, they will experience an average 20 percent reduction in harmful greenhouse gas emissions. In addition to its clean-burning properties, 90 percent of autogas is made in America, so using autogas reduces U.S. dependence on foreign oil and enhances national energy security.

Hembree considers "total driver buy-in" to be a significant merit of the program. She notes that because of the amount of time Mountain Mobility drivers spend behind the wheel, they are especially aware of even the slightest variance in vehicle performance. She was pleased to hear drivers cite "better performance" with the autogas vehicles. Drivers have experienced greater acceleration with the propane-powered systems, especially when merging onto the interstate and climbing hills.

MOVING FORWARD

Mountain Mobility is impressed with the changes that have accompanied the decision of the Buncombe County Commissioners to convert these fleet vehicles to propane autogas and is eager to increase use of autogas-powered vehicles in the future. Hembree says, funds permitting, "Mountain Mobility would absolutely convert other fleet vehicles to propane autogas." She hopes to see state-level adoption and support of these systems among similar organizations throughout North Carolina.

Mountain Mobility will continue to track the benefits they are receiving from using propane autogas. "Since we have only had the vehicles for six months," Hembree explains, "we have not begun to see the benefits of lower maintenance and longer engine life that we know will come with using propane autogas."

Hembree is positive about the future of their autogas program: "We believe these vehicles will save us a lot of money and a lot of emissions over the course of their lives."





Propane Autogas Vehicles: A Natural Fit for a Propane Distribution Company

Company: Kamps Propane Inc.
Industry: Propane Distributor
Location: Manteca, California
Vehicles: 25 ROUSH CleanTech Ford F-250 trucks
Fueling: 11 proprietary propane autogas fueling stations throughout California

Challenge:

To find an available propane autogas conversion system certified by the strict emissions standards set by the California Air Resources Board (CARB).

By the Numbers:

- ☐ 85,000 fewer gallons of gasoline burned by switching to propane autogas.
- ☐ \$1.50 to \$1.75 per gallon cost savings for propane autogas.
- ☐ \$150,000 in fuel savings per year, including a 50-cent-per-gallon tax credit.
- ☐ 62,255 pounds of carbon dioxide eliminated from Kamps Propane's carbon footprint each year per vehicle.
- ☐ 1.56 million pounds of carbon dioxide eliminated from Kamps Propane's total carbon footprint each year for entire fleet.

Kamps Propane maintains a long history of running Ford trucks in their company's fleet. When the ROUSH CleanTech propane autogas fuel system for light- and medium-duty trucks was developed, Terry Ayres, vice president of Kamps Propane, knew that these vehicles were the natural choice for their propane distribution company.

Based in Manteca, California, Kamps Propane is leading the charge in their industry with the largest fleet of ROUSH CleanTech propane autogas vehicles in operation in California. In business since 1969, Kamps Propane services the northern California markets around Fresno, San Francisco, Sacramento and the surrounding communities. Throughout their history, Kamps Propane has used propane autogas vehicles in their fleet as reliable vehicles became available. When the ROUSH CleanTech Ford F-250 was certified by the Environmental Protection Agency (EPA) and California Air Resources Board (CARB), Kamps Propane knew that they had found their alternative-fuel solution and purchased 25 trucks to add to their service fleet.

"We've been buying Ford all along, pretty much since our company was founded," Ayres said. "ROUSH CleanTech has the only propane conversion kit that is certified for the state so it was an easy and natural fit because of our company's preference for Ford products."



The ROUSH CleanTech Ford F-250 trucks feature in-bed fuel tanks. Kamps Propane selected this configuration because of its large fuel capacity, with a 55-gallon usable capacity. Each vehicle also delivers the same horsepower, torque and towing capacity as its gasoline-fueled counterparts.

Clearing the Air

Kamps Propane vehicles are driven an average of 25,000 to 30,000 miles per year using approximately 85,000 gallons of gasoline fuel. The lifetime of each vehicle is estimated to be 150,000 miles. By switching to propane autogas, the company has decreased its carbon footprint, reducing carbon dioxide emissions by 62,255 pounds per vehicle. This results in Kamps Propane emitting over 1.56 million fewer pounds of CO₂ each year for their entire fleet of ROUSH CleanTech trucks.

Besides carbon dioxide reduction, propane autogas offers many other types of environmental advantages for the company. The fuel burns cleaner than gasoline or diesel, with up to 20 percent less nitrogen oxide, up to 60 percent less carbon monoxide, 24 percent fewer greenhouse gas emissions, and fewer particulate emissions when compared to gasoline. It is the third most widely used fuel worldwide, following gasoline and diesel. Propane also plays a strong role in lowering the nation's dependence on foreign oil, as 90 percent of the propane used today comes from domestic production sources.

Realizing the Benefits

For a propane distributor, running a propane autogas fleet makes both logistical and economic sense. "We see savings of \$1.50 to \$1.70 per gallon based on the current pump prices and our distributor pricing on propane," Ayres said. "It makes a lot of sense for us in the propane business to run our vehicles on the fuel we sell, and with and the \$.50 / gallon tax credit on the fuel, it makes a lot of sense for the end user as well."

With 11 Kamps Propane retail locations throughout California, refueling stations are convenient and readily available for the managers and service technicians who drive the trucks daily. These stations, which were already in place due to previous propane autogas use, are the same sites that Kamps Propane drivers use to refill propane cylinders. "In addition to the \$150,000 in fuel savings this past year, our drivers have saved additional time by filling at the company dispenser rather than at a gas station," Ayres said.

Along with the cost savings, Kamps Propane recognizes the clean-burning effects of propane autogas. "Of course the obvious benefit to Kamps Propane is the cost of the fuel, but there is also the benefit of the longevity of the clean-running engine," Ayres said. Although Kamps Propane does adhere to Ford's recommended oil change schedule, Ayres has found that the intervals can be extended substantially because of how clean the oil is after it's changed.

Taking Propane Beyond the Backyard Barbecue

By committing to a fleet of propane autogas trucks, Kamps Propane has the opportunity to show their customers that they stand behind their product and are committed to its growth in the world of alternative fuel vehicles.



About ROUSH CleanTech: Based in Michigan, ROUSH CleanTech offers dedicated liquid propane autogas fuel systems for a variety of light- and medium-duty Ford vehicles, including the F-150, F-250 and F-350 pickup truck series; the F-450 and F-550 chassis cab truck series; the E-150, E-250 and E-350 van and wagon series; the E-350 and E-450 cutaway van series; and the Blue Bird Propane-Powered Vision. Currently offered through authorized Ford dealerships around the country, the ROUSH CleanTech propane autogas system delivers the same factory Ford performance characteristics and serviceability with a 5-year/60,000-mile limited warranty. Customers can reduce operating costs significantly while reducing vehicle emissions. Complete details on ROUSH CleanTech propane autogas offerings can be found online at www.ROUSHcleantech.com or by calling 800.59.ROUSH.

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King County Commended for Propane Autogas Usage

Company: King County Government, Dept. of Transportation, Fleet Administration Division
Industry: Government
Location: Seattle, Washington
Vehicles: Ford F-250 pickups
Ford F-350 extended cab pickup
Ford E-250 cargo van
Fueling: 2,500-gallon on-site propane autogas fueling station

Challenge:

To address global warming in the Puget Sound region by decreasing emissions from transportation, which represent about half of all the area's regional greenhouse gas emissions.

By The Numbers:

- 9 total vehicles equipped with ROUSH CleanTech liquid propane autogas system
- 11,200 fewer gallons of gasoline consumed per year
- 77,280 pounds of carbon dioxide eliminated from King County's carbon footprint per year.
- \$1,700 per vehicle, per year savings totaling \$15,338 for nine vehicles.

King County, Washington, is a leader in using various forms of alternative fuels, including propane autogas. The county has taken a proactive stance in cleaning up the Puget Sound region's environment by working to reduce pollution and greenhouse gas emissions, protect and restore natural habitats, promote healthy lifestyles, and use resources wisely. For years, King County has stayed on top of emerging advances in eco-friendly products and procedures, and has served as a gold standard in green workplaces.

Setting an example

In an effort to reduce the carbon footprint of the county's fleet, the King County Department of Transportation's Fleet Division (KCDOT) serves as a role model for other governments by participating in the testing of environmentally friendly fuel alternatives, vehicle maintenance products, and fleet management. Their transportation lineup includes seven Ford F-250s, one Ford F-350 extended cab pickup, and one Ford E-250 cargo van, all with ROUSH CleanTech's dedicated liquid propane autogas injection systems.

"Public fleets in particular have a responsibility to take the lead and take steps to achieve significant greenhouse gas reductions within their own fleets," said Robert Toppen, equipment supervisor for KCDOT. "We take pride in doing what we can to protect our sensitive environment."

In fact, King County has received special recognition for their sustainability efforts. In 2006, Utility Fleet Management magazine named them among the top nine of the 100 best fleets in North America, from



among 90,000 fleets. The next year they were named among the top three in a fleet contest, 100bestfleets.com, sponsored by Government Fleet magazine. And in 2009 they were named a top-performing fleet when they received a coveted “three stars” from the Evergreen Fleets certification program in Washington.

Environmental protection is top of mind

Toppen has stayed on top of emerging environmentally friendly technology. As early as 2001, he had implemented bio-based hydraulic oils for use in heavy-duty equipment to gain ground on protecting sensitive waterways and groundwater in the Seattle-area neighborhoods. By 2007, Toppen had introduced electric hybrid utility trucks to the mix to quench the thirst felt by skyrocketing gas prices.

In an effort to remain fiscally and environmentally responsible, King County purchased the ROUSH CleanTech liquid propane autogas-powered vehicles to meet the needs of employees who must carry tools to job sites, sometimes located quite a distance from a fueling station. Not only does the green vehicle have the propane tank mounted underneath, giving more room for tool boxes and equipment, but it has a longer driving range, compared to electric and other hybrid vehicles. All are under bed applications. In addition, they have an onsite propane autogas fueling dispenser to insure even further efficiencies.

“For the driver, it’s pretty much seamless other than you fill up at a propane tank instead of a gas dispenser. Range is approximately the same and fuel economy is approximately the same. A big advantage is that with the federal rebate being offered on propane autogas fuel, the cost of fuel is currently considerably less than the price of gasoline. So right now that’s a big advantage,” Toppen added.

Benefits are unbeatable

Propane autogas is already the third most commonly used engine fuel worldwide, behind gasoline and diesel, proving its environmental acceptance, viability, and economic advantages. Propane autogas burns cleaner than gasoline or diesel, with 20 percent less nitrogen oxide, up to 60 percent less carbon monoxide, 18 percent fewer greenhouse gas emissions, and fewer particulate emissions when compared to gasoline. Research proves this safe, non-toxic fuel is energy-efficient and clean, equaling fewer maintenance costs over the lifetime of a vehicle.

ROUSH CleanTech commends King County for its dedication to alternative fuels and the example they have set for government fleets across the nation.

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About ROUSH CleanTech: Based in Michigan, ROUSH CleanTech offers dedicated liquid propane autogas fuel systems for a variety of light- and medium- duty Ford vehicles, including the F-150, F-250, F-350 pickup truck series; the F-450 and F-550 chassis cab truck series; the E-150, E-250, and E-350 van and wagon series; and the E-350 and E-450 cutaway van series. Currently offered through authorized Ford dealerships around the country, the ROUSH CleanTech propane autogas system delivers the same factory Ford performance characteristics and serviceability with a 5-year / 60,000-mile limited warranty.





Pristine Green – It's More Than a Name, It's a Lifestyle

Company: Pristine Green
Industry: Landscape/Lawn Care
Location: Grand Rapids, Michigan
Vehicles: One Ford F-350, with plans to add more in fall 2011
All lawn-care and snow-removal equipment powered by propane
Fueling: 1,000-gallon tank on-site infrastructure

Challenge:

To create a lawn-care business solely fueled by a domestically produced, clean-burning energy source that would set the company apart from its competition.

By the Numbers:

- 53 percent fuel savings per gallon when compared to gasoline.
- 14,685 pounds of carbon dioxide eliminated from Pristine Green's carbon footprint each year, based on an estimated 30,000 miles traveled per year.

Pristine Green of Grand Rapids, Michigan, is inspiring people to change the way they think about lawn care by choosing clean-burning, domestically produced propane to fuel their business. Owners Jesse and Hilary Triick, who purchased a ROUSH CleanTech Ford F-350 fueled by propane autogas in April 2010, are finding it a reliable foundation for creating a complete lawn-care service geared toward helping people reduce their carbon footprint — while maintaining a beautiful landscape.

"When we decided to start our business in July of 2009, we knew we needed a niche market because the lawn-care industry is so saturated," explained Jesse. "I had operated our lawn-care business for about three years before I learned about alternative-fueled equipment. I started looking for a greener fuel to replace gasoline- and diesel-powered equipment, and happened upon the ROUSH CleanTech web site. There I found the closest to original equipment conversion for propane autogas I had ever seen."

According to the Triicks, Pristine Green is the only propane-powered complete lawn-care and maintenance solution available in Michigan. This distinct title has garnered the attention of customers and peers looking for eco-friendly solutions to the emissions generated through the lawn-care industry.

The ROUSH CleanTech propane autogas powered Ford F-350 features an in-bed fuel tank option that still allows plenty of room for transporting lawn equipment and cargo in the truck's bed. The truck



also boasts a custom wrap to reflect the pride Pristine Green has in choosing American-made exceptional energy for their company's needs.

Giving the Environment a Break

Jesse says estimates show that up to 10 percent of the pollution in the U.S. is caused by the lawn-care industry. He contributes his switch to propane for cutting his company's toxic emissions of benzene and toluene by 96 percent. By using propane in both his on-road truck and lawn-care equipment, Jesse offers a double punch of environmental stewardship.

Propane autogas burns cleaner than gasoline or diesel, with up to 20 percent less nitrogen oxide, 60 percent less carbon monoxide, up to 24 percent fewer greenhouse gas emissions, and fewer particulate emissions when compared to gasoline. Research by the Propane Education & Research Council proves that propane mowers reduce greenhouse gas emissions by about 50 percent and carbon monoxide by more than 80 percent, when compared to gasoline mowers.

"It [propane] has done amazing things for our business," said Hilary. "We are able to operate on ozone action days and actually feel good about it. Customers can feel good about our product and service, especially on ozone action days."

The West Michigan Clean Air Coalition monitors Ozone Action Days in Michigan. Warnings are issued when ground-level ozone, fine particulate matter, or both, are expected to reach or exceed the "unhealthy for sensitive groups" threshold on the air-quality index, when ozone levels are above 75 parts per billion over an eight-hour period, or fine particle levels are above 35 micrograms per cubic meter over a 24-hour period. The chemical components of ozone come from a variety of sources, many of which are man-made.

"By reducing the amounts of chemicals and emissions our power equipment and vehicle release, we can feel good about our efforts to reduce the formation of ground-level ozone," said Hilary.

Trimming Costs, Growing Capital

Jesse and Hilary dedicated a lot of time toward researching all forms of alternative energy that could be put to work in their industry. They found propane the winner, especially when it came down to performance and cost analysis. "Electric doesn't provide enough run-time; I can only get about 90 minutes out of an electric mower. And compressed natural gas is entirely cost prohibitive," said Jesse. Once the decision to switch to propane autogas for their transportation needs was made, the couple purchased their ROUSH CleanTech truck from a locally owned and operated dealership, Fox Ford.

With fuel prices reaching \$4.19 per gallon in the Triicks' service area, the switch to propane autogas has trimmed fuel costs in half. According to Jesse and Hilary, they are paying only \$2.00 per gallon for propane autogas (as of May 2011), and that is before any government tax incentives.

Additionally, because propane is a clean-burning fuel that leaves no carbon deposited in engines, equipment and vehicle maintenance costs are lessened while the life of the engine is increased. "The ROUSH CleanTech service department stands 100 percent behind their product," Jesse said. "I have no doubt these products are going to last a long time."



The Triicks installed an on-site 1,000-gallon propane tank with a four-by-four-by-four-foot cabinet and pump and hoses of varying sizes for their different applications. This decision has cut out trips to the gas station and has enabled their crew to carry more fuel.

“We needed an on-site filling station so that we could refuel the truck. A tank exchange program just wouldn't fit in to what we were doing,” Jesse reported. “Amerigas understood our concept and installed a filling station for me.”

A Pristine Future with Propane

As Jesse and Hilary are quickly discovering, most people don't think of propane as an alternative fuel when looking to make a change. But, propane is a readily available fuel choice that offers a one-stop solution — not only can it effectively power equipment, but it's a clean, domestic choice for vehicles.

Jesse urges his industry peers to give propane a chance. “If you can operate a gasoline-powered mower, you can run a propane-powered one. The switch is seamless and the benefits are excellent,” he added. “For some reason propane isn't in the spotlight, which is something I think is going to change in the near future.”

Jesse and Hilary look forward to witnessing the growth of not only their family business, but the ‘greening up’ of an industry known for creating lush, green landscapes. The Triicks plan to do their part by adding more ROUSH CleanTech vehicles and additional crews to their eco-friendly line-up in the near future.

About ROUSH CleanTech: Based Michigan, ROUSH CleanTech offers dedicated liquid propane autogas fuel systems for a variety of light- and medium- duty Ford vehicles, including the F-150, F-250, F-350 pickup truck series; the F-450 and F-550 chassis cab truck series; the E-150, E-250, and E-350 van and wagon series; and the E-350 and E-450 cutaway van series. Currently offered through authorized Ford dealerships around the country, the ROUSH CleanTech propane autogas system delivers the same factory Ford performance characteristics and serviceability with a 5-year / 60,000-mile limited warranty. Customers can reduce operating costs significantly while reducing vehicle emissions. Complete details on ROUSH CleanTech propane autogas offerings can be found online at www.ROUSHcleantech.com or by calling 800-59-ROUSH.

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SuperShuttle's Blue and Yellow Vans Go "Green"

Company: SuperShuttle
Industry: Airport Transportation / Shared-Ride
Location: Arizona's Phoenix Sky Harbor International Airport
Vehicles: 35 Ford E-350 15-passenger vans
25 more to be added by August 2011
Fueling: 2,000-gallon on-site propane autogas fueling station

Challenge:

To comply with Phoenix Sky Harbor International Airport's directive for all service fleet vehicles operating at the airport to run on cleaner-burning alternative fuels, while reducing fuel costs for their franchisee owner operators.

By The Numbers:

- 13,000 fewer gallons of gasoline burned per year, per van by switching to propane autogas.
- 440,000 pounds per van of carbon dioxide emissions reduced over each vehicle's 5-year / 900,000-mile lifetime.
- \$18,850 savings per year per van for SuperShuttle franchise owner/operators.

SuperShuttle, a recognized name in the airport ground transportation business, is turning their trademark blue and yellow vans to 'green' with the help of ROUSH CleanTech liquid propane autogas Ford E-series passenger vans. Propane autogas, the most widely used alternative fuel and the world's third most common engine fuel, produces 20 percent less nitrogen oxide, up to 60 percent less carbon monoxide, up to 24 percent fewer greenhouse gas emissions, and fewer particulate emissions when compared to gasoline.

Finding Relief and Profits with Propane Autogas

At a time when gas prices are among the highest in history, SuperShuttle has found significant savings with propane autogas. "The switch to propane autogas technology was a smart thing to do," says Ken Brooks, national purchasing manager for SuperShuttle. "We are seeing tremendous fuel savings right now. Gas prices in Arizona are averaging \$3.65 per gallon [in mid-April 2011]. Our drivers who are using public propane refueling infrastructure around Phoenix are paying \$2.20 per gallon."

SuperShuttle operates as a franchise across the United States, offering leases to its shuttle owner/operators on passenger vans procured by the parent company for a total of 48 months, with the option to buy the van at the end of the lease. With a typical five year service life on each van, the final year of ownership gives the owner clear profits with no lease payment.



“Our franchisees use about 250 gallons of fuel each week, and travel up to 900,000 miles over the lifetime of their vehicle. By making the switch to propane autogas, our drivers are not only saving money and lowering our dependence on foreign oil, but reducing carbon emissions by the ton, and this is something they can feel good about,” said Brooks.

From an operating cost standpoint, propane autogas currently provides each SuperShuttle owner / operator an average savings of \$362.50 per week in fuel costs, or \$18,850 per year.

From an emissions and environmental impact standpoint, each van is emitting around 440,549 fewer pounds of carbon dioxide into the atmosphere by operating on propane autogas instead of gasoline over the 900,000 mile / 5 year lifecycle. For the 35 propane autogas powered vehicles in operation today, that’s more than **15,400,000 lbs of CO₂** that won’t be released into the air in Phoenix over the next 5 years.

Reputation and Trust – Making the Switch

Founded more than 25 years ago, SuperShuttle was established on the principal of providing reliable and friendly door-to-door airport service. With the added desire to be a good steward for the environment, SuperShuttle recycles tires and automotive fluids, and also fuels their vans with other alternative fuels.

“We have used compressed natural gas (CNG) and propane in the past, but as it became more difficult to purchase CNG conversions, I urged the company to give propane another shot,” shared Brooks. “Our relationship with ROUSH CleanTech started a few years ago when I was working with some fellows from Ferrellgas in Phoenix, examining another propane conversion kit supplier. I heard ROUSH was looking at getting into the propane business. I respected their reputation for performance, so I worked with the guys from Ferrellgas to share our spec van conversion with them. We’ve been working with ROUSH CleanTech ever since.”

Brooks adds that the warranty and reputation that comes with each ROUSH CleanTech vehicle was the primary reason SuperShuttle forged the partnership.

Moving Green Forward

To make it even easier and more profitable for their franchise owners, SuperShuttle is installing a 2,000-gallon propane autogas fueling station, centrally located for all drivers to use. Currently, Brooks says there is sufficient and convenient fueling infrastructure in and around Phoenix for easy re-fueling. However, the on-site, company-owned tank will provide an even lower cost per gallon for fuel, further increasing owner/operators’ bottom line. “We are working with Ferrellgas to construct an onsite fueling center that we anticipate will lower our drivers’ fuel costs even further – possibly to \$2.00 per gallon,” Brooks said.

The company anticipates adding more vans fueled by propane autogas to their other airport markets in the future, including some California markets. ROUSH CleanTech’s propane autogas vans and shuttles gained California Air Resource Board (CARB) certification in early 2011.



"CARB certification is that final nod of approval needed to launch a guaranteed top-quality line of passenger and cargo vans to fleet managers across America, who are eagerly awaiting the availability of cost-effective, ecologically sound, large-capacity vehicles with less than ten pounds of added weight," states Joe Thompson, president of ROUSH CleanTech.

With more than 20,000 passengers each day choosing SuperShuttle's 1,200 vans at 25 airports in 19 cities all across the country, this ROUSH CleanTech customer is moving propane autogas from niche markets to mainstream. SuperShuttle, a leader in reliable and economical service for their loyal customers, won a Propane Hero award at the Green Fleet Expo in San Diego in 2010. Brooks is looking forward to SuperShuttle creating a large marketing push centered on their use of this domestically produced, eco-conscious fuel.

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Home Medical Equipment Provider Finds Propane Autogas Economical and Dependable

Company:	Wright & Filippis
Industry:	Home Medical Equipment Provider
Location:	Rochester Hills, Mich.
Current Vehicles:	4 Ford E-350 cutaway vans, model year 2011 4 Ford E-350 cargo vans, model year 2011
Future Vehicles:	4 Ford E-350 or E-450 vans 3 Ford propane autogas vehicles (type undecided)
Fueling:	1,000-gallon onsite propane autogas refueling station

Challenge:

To provide an economically feasible and environmentally-conscious alternative fuel fleet vehicle

By The Numbers:

- 48,000 fewer gallons of gasoline burned by switching to propane autogas.
- 931,200 pounds of carbon dioxide eliminated from Wright & Filippis' carbon footprint each year.
- \$3,000 per vehicle, per year savings equaling \$36,000 total for 12 propane vehicles.
- Immediate return on investment due to grant funding provided for retrofit.

Believing "First to Serve, First to Care" is the only way to do business, Wright & Filippis, the nation's largest family-owned home medical equipment distributor, has brought clean technology to Detroit with ROUSH CleanTech propane autogas powered fleet vehicles.

"When your health and life are at stake, nothing should stand in the way of reliable care – especially not transportation," said Joe Thompson, president of ROUSH CleanTech. "We are incredibly pleased to see Wright & Filippis trusting ROUSH CleanTech propane autogas vehicles for their dedicated delivery routes."

Late in 2010, Wright & Filippis' fleet management team was approved to purchase 12 propane autogas cargo and cutaway vans through a grant with the Ann Arbor Clean Cities program. As of August 2011, eight of the anticipated 12 ROUSH CleanTech 2011 propane autogas vehicles — four Ford E-350 extended cargo vans and four Ford E-350 cutaway vans — have been deployed, and are



proving to show tremendous progress in reducing the company's carbon footprint. Additional vehicles will be on the road before the end of 2011.

"Our experience so far has been very positive," said Tom Hopkins, department head of logistics for Wright & Filippis. "The vehicles are performing very well, we are seeing real fuel savings and the transition has been quite easy. I couldn't be happier with our project at this point. Because of this, we have already expanded the scope of our year-one project to include three additional propane autogas vehicles for a total of 15 in 2011."

With more than 25 percent of the company's fleet soon running on propane autogas, Wright & Filippis is showing its peers that this green fuel is reliable, sustainable, and makes perfect financial sense.

Founded in 1944 in Detroit, Wright & Filippis provides home medical equipment, prosthetics, orthotics, respiratory services, and medical supplies to those who cannot leave their home. Caring for people is number one for all team members, and that includes doing their part for a cleaner environment. Finding a viable way to serve patients while minimizing the impact on the environment has proven an important mission for Wright & Filippis executives.

"We feel strongly that propane autogas is a practical and proven solution in reducing our operating costs and becoming more eco-friendly," said Hopkins. "Large fleets outside of our industry like Schwann's have been running propane-powered vehicles since the 70's. It is sustainable technology that works. Currently, there are also great government incentives and grant funding opportunities to assist with the incremental cost of conversion. I would encourage any home medical equipment owner, or any other owner that operates a fleet, to take a look at the propane autogas solutions that are out there today. I think they will find that this is a very cost-effective solution available that make sense for their fleets as well."

The Need for Change

The company's commitment to improving the lives of others keeps its fleet on the road for more than 975,000 miles annually. The company was concerned about the carbon footprint they were leaving behind with every delivery. Tom Hopkins recognized the impact that switching to an alternative fuel could make on the environment and put significant research into choosing the right alternative fuel vehicle for the company.

"We have actually considered the transition to propane for quite some time, but could not find the right system at the right price point," shared Hopkins. "I was introduced to the ROUSH CleanTech product and felt that it was the ideal solution for Wright & Filippis."

Today, Hopkins is breathing easier knowing his fleet will be contributing nearly 933,000 fewer pounds of carbon dioxide emissions to the air simply by switching over 25 percent of his 50-vehicle fleet to propane autogas, a cleaner-burning fuel with up to 20 percent less nitrogen oxide, up to 60 percent less carbon monoxide, 24 percent fewer greenhouse gas emissions, and fewer particulate emissions when compared to gasoline.



"We are doing the right thing environmentally," Hopkins added. "Based on our data the propane autogas vehicles are currently producing nearly 100,000 fewer pounds of carbon dioxide than the gas counterparts on a monthly basis and we are really excited about that. That puts us on track to hit the 1 million pound mark by the end of this calendar year."

Boosting the Bottom Line

Initially, Hopkins estimated a boost in the company's bottom line within months of the first vehicle deployment in November 2010. "Our return was almost immediate considering the grant funding we were awarded to complete the conversion to propane," he said. "From there, we anticipated a little more than \$3,000 per vehicle per year in savings."

After eight months on the road, Hopkins reports an average savings of approximately \$1.20 per gallon before any incentives. "At the high point this year we paid about \$2.50 per gallon for propane autogas compared to \$4.09 per gallon for gasoline that same month," he shared.

To boost savings even further, Wright & Filippis partnered with Ferrellgas to install an on-site 1,000-gallon refueling station in late December 2010. The cost of the station was approximately \$8,000, which was offset by grant funding made available through the Clean Energy Coalition as part of the American Reinvestment and Recovery Act. The fueling site is the final piece in creating an environmentally sustainable fleet of service vehicles doing their part to keep people in the Detroit area healthy for generations to come.

The fueling site "was fully operational as of January 5, 2011, and our technicians really appreciate the fact that they do not have to go out of their way or wait in lines to refuel," Hopkins explained. "We are seeing a tremendous return on investment from this project. There currently is a \$0.50 per gallon tax credit on propane autogas that we dispense from our refueling station. With the tax credit included we stand to save nearly \$40,000 in fuel cost this year."

Additionally, Hopkins' maintenance team has been taking samples of oil changes since the beginning for analysis and monitoring the viscosity breakdown of the engine oil. The team is seeing extremely positive results from the samples pulled and is currently in the process of redefining some of their maintenance parameters because of these results. Hopkins estimates these changes will drive down some of the annual maintenance cost per vehicle.

Reliability, Sustainability, and Commitment

Hopkins was impressed with ROUSH CleanTech's pledge toward helping companies save money without sacrificing vehicle performance or range. Learning that propane autogas vehicles have the longest driving range of any alternative fuel and that ROUSH CleanTech vehicles are developed to maintain all horsepower, torque, and towing capacity ratings sealed the deal for executives at Wright & Filippis.

An internal survey of the Wright & Filippis employees driving the ROUSH CleanTech propane autogas vans confirmed the 'green-powered' vans perform well, run smooth and are no different than driving a gasoline counterpart. "There is really no difference between the two; the propane autogas trucks run well," said technician James Purty, who drives one of the E-350 cutaway vans. Technician Jimmy



Stamps reports that his propane autogas van is “no different than driving a gas-fueled vehicle, and I really like that I don’t have to go to the gas station anymore.”

With these vans backed by Ford’s reputation for dependability and the same Ford factory performance characteristics, warranty coverage, and serviceability, Wright & Filippis’ transportation team will see fewer down hours due to breakdowns and maintenance issues. Their commitment to propane autogas is as strong as their commitment to their customers.

Since making the switch to propane, Tom Hopkins has spoken to many fleet managers and business owners about his experience with propane autogas and ROUSH CleanTech. “My message is consistent. ROUSH CleanTech has a great product that performs very well, and it provides a very quick return on the investment. The company’s team of professionals is very easy to work with and very customer focused.”

Hopkins encourages those that manage a vehicle fleet to reach out to ROUSH CleanTech and ask for a demo to see for themselves just how impressively these vehicles perform.

About ROUSH CleanTech: Based in Michigan, ROUSH CleanTech offers dedicated liquid propane autogas fuel systems for a variety of light- and medium-duty Ford vehicles, including the F-150, F-250 and F-350 pickup truck series; the F-450 and F-550 chassis cab truck series; the E-150, E-250 and E-350 van and wagon series; the E-350 and E-450 cutaway van series; and the Blue Bird Propane-Powered Vision. Currently offered through authorized Ford dealerships around the country, the ROUSH CleanTech propane autogas system delivers the same factory Ford performance characteristics and serviceability with a 5-year/60,000-mile limited warranty. Customers can reduce operating costs significantly while reducing vehicle emissions. Complete details on ROUSH CleanTech propane autogas offerings can be found online at www.ROUSHcleantech.com or by calling 800.59.ROUSH.

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PROPANE PRIVATE FLEET CASE STUDY

Propane Powers Wil Fischer Companies' Distribution Fleet

As an exclusive Anheuser-Busch wholesaler, Wil Fischer Distributing understands the value of optimal performance. That is why Wil Fischer chooses to run over forty-percent of its fleet on propane.

According to Jeffrey Gower, President, Wil Fischer uses propane because it is clean burning which extends the life of the engine. Cost savings are also realized through tax benefits and storage of the alternative fuel at the facility. Propane also allows the company to easily comply with emissions regulations.

Wil Fischer Distributing is located in Springfield, Missouri. Our company's business philosophy is "Excellence in all phases of business." The entire Wil Fischer staff is devoted to the belief that service sells beer. We provide great service that delivers constant growth and continued customer satisfaction. Our superior employees sell the highest quality product and deliver that product with exceptional execution.



From our humble beginnings, with only 5 employees, some forty-two years ago, our business philosophy and the exceptional product and service we deliver have allowed us to grow to the company we are today. With the population and the tourism growth in the Springfield, Missouri area, constant growth and an ever changing market dictates the necessity to be the best and deliver the best for our customers.

Fleet Maintenance

Fleets are maintained in-house by Wil Fischer's employee mechanics. Wil Fischer replaces its vehicles every 200,000 miles to ensure an up-to-date, modern and efficient fleet. However, retiring vans still run so well due to propane that they are almost always purchased by outside vendors.

All Wil Fischer propane-fueled vehicles have on-board tanks and are refueled via the large on-site permanent tank. On average, Wil Fischer uses 45,000 gallons of propane a year.

Wil Fischer Fleet Facts

Fleet Type: Beverage
Distribution
Fuels: Propane, Gasoline,
Diesel
Fleet Size: 79 vehicles
Propane-fueled: 40.5%

"Our productivity and efficiency have increased substantially since our decision to switch to propane-powered vans and sales vehicles," said Gower. "We are pleased with our propane vehicles and definitely recommend using propane to other distributors."

Air quality is of prime importance to Wil Fischer. A non-toxic fuel, propane burns cleanly and can be used safely indoors. Propane's sealed, pressure-tight system eliminates the toxic spillage and evaporative emissions found with gasoline and diesel refueling, which can be a significant source of secondary pollution. Propane also produces less carbon monoxide, particulate matter, hydrocarbons and nitrogen oxides than gasoline or diesel - helping Wil Fischer meet OSHA, EPA and local air quality requirements. "We save more than one ton of CO₂ emissions per year per vehicle, which is over 30 tons per year currently, and over 400 tons over the last 24 years!" said Gower. The propane industry is determined to ensure that propane-powered vehicles continue to meet or exceed emissions requirements.

For more information about propane forklifts, fleets, and other engines powered by propane, visit www.usepropane.com/climate or contact:

Brian Feehan
Vice President
Propane Education & Research Council
Phone: 202-452-8975
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PROPANE BUS FLEET

CASE STUDY

ALVIN INDEPENDENT SCHOOL DISTRICT

Transportation Center

2780 W. Highway 6

Alvin, Texas 77511

Transportation Director: John Ralph, jralph@alvinisd.net, (281) 245-2992

Fleet Maintenance Manager: Butch Passmore, rpasmore@alvinisd.net

BACKGROUND FACTS

Fifth largest propane school-bus fleet in State of Texas

250 sq. miles, 15,334 students

Transports 1,242,000 students annually

Annual school-bus mileage: 1,962,500 miles

Current annual usage of propane: 206,146 gallons

FLEET FACTS

Total School Buses 128

- 73 Propane
- 81 Diesel

Total Other Vehicles

- 4 Propane
- 4 Diesel
- 97 Gasoline

Refueling facilities: 1

Gallons on-site propane storage: 18,000 gallons

Years using propane: 27 years

PROPANE COST SAVINGS

Annual savings to district through use of propane:

Current price this week (April 28-May 2, 2008) for propane is \$1.79/gal vs. \$3.51/gal for diesel. We also receive a \$0.50/gal. rebate for propane used. In 2006-07, we received \$92,152.00 in rebates. Vehicle maintenance is reduced due to greater brake and tire life with propane, mainly due to the inherent braking of the throttled engine and less weight on the steering axle.

ADDITIONAL COMMENTS/QUOTES

The new generation propane engine shows promise of fuel mileage that comes close to the mileage we experience with diesel. A demo propane bus was impressive while doubling the mileage we experienced with current propane powered-buses.

Driver comments: "Wow!". Bus accelerates quicker, shortening the route time for students.

Environmental considerations: These engines require no particulate trap or the related services. The emissions are lower due to the inherently cleaner-burning fuel. The emission system has proved itself for over 30 years of use. The engine has a smaller environmental footprint due to the decreased uses of lubricants and coolant.

--John Ralph





PROPANE BUS FLEET

C A S E S T U D Y

DALLAS COUNTY SCHOOLS

Transportation Department
 612 N. Zang Blvd.
 Dallas, Texas 75208
 Transportation Director: Tim Jones (214) 944-4520, tjones@dcschools.com

BACKGROUND FACTS

Largest propane school-bus fleet in State of Texas
 908 sq. miles, 320,000 students
 Transports 11 million student passengers annually
 Annual school-bus mileage – 20,000,000+
 Current annual usage of propane – 870,000 gals.

FLEET FACTS

Total School Buses 1,545	Total Other Vehicles 216
• 545 Propane	• 9 Propane
• 918 Diesel	• 58 Diesel
• 82 Other	• 149 Gasoline

Refueling facilities: 7
 Gallons on-site propane storage: 106,000 gallons
 Years using propane: 15 years

PROPANE COST SAVINGS

Annual savings to district through use of propane:
 LPG has historically been 30 percent less expensive to gasoline. The current IRS rebate of \$0.50/gal is creating a \$400,000 per year saving for Dallas County Schools.

ADDITIONAL COMMENTS/QUOTES

Dallas County Schools has also retrofitted over 550 diesel buses to lower emission technology as well as purchasing the lowest emission standards available. Dallas County Schools' Board of Trustees has resolved to require lower emission purchases. DCS has adopted an anti-idling procedure and guidelines as well.

"The OEM LPG bus and new retrofit LPG systems are very exciting for DCS to renew our LPG lower emission fleet."

--Tim Jones, Director of Transportation





PROPANE BUS FLEET

C A S E S T U D Y

NORTHSIDE INDEPENDENT SCHOOL DISTRICT

Transportation Department
12005 Leslie Road
Helotes, Texas 78254
(210) 397-0900
Transportation Director: Rafael Salazar

BACKGROUND FACTS

Second-largest propane school-bus fleet in State of Texas
355 sq. miles, 85,000 students
Transports 40,000 students each day
Annual school-bus mileage: 8,000,000 miles
Current annual usage of propane: 450,000 gallons

FLEET FACTS

Total School Buses 685

- 351 Propane
- 324 Diesel
- 31 Unleaded

Total Other Vehicles

- 0 Propane
- 1 Diesel
- 26 Gasoline

Propane refueling facilities: 4
Gallons on-site propane storage: 56,000 gallons total at four stations
(South 8,000 gal., Culebra 12,000 gal., North 12,000 gal., and Rhodes 12,000 gal.)
Years using propane: 27

PROPANE COST SAVINGS

Annual savings to district through use of propane:
* 2007 Federal Propane Tax Credit estimated at \$226,079
* Average cost per gallon between Propane (\$1.54) and Diesel (\$3.00)

ADDITIONAL COMMENTS/QUOTES

We were one of the first school districts to make a commitment to propane, and the first customer in the country to purchase the new dedicated propane Blue Bird buses in 2007. Northside ISD is taking delivery of 16 propane school buses this year, and our community and our staff recognize and enjoy the cleanliness of propane.

--Rafael Salazar





PROPANE BUS FLEET

CASE STUDY

CAPITAL AREA RURAL TRANSPORTATION SYSTEM (CARTS)

2010 E. 6th Street
P.O. Box 6050
Austin, Texas 78762-6050
(512) 481-1011
(512) 478-1110 FAX
Executive Director: Dave Marsh dave@ridecarts.com
Director, Vehicle Maintenance: Curtis Webb, 512-237-4973

BACKGROUND FACTS

Second-largest rural transit fleet in State of Texas
Service area size: 7,500 sq. miles
Transports 350,000 passengers annually
Annual transit bus mileage—1.6 million miles
Current annual usage of propane – about 150,000 gallons

FLEET FACTS

Total transit passenger vehicles: 101

- 33 propane
- 44 diesel
- 24 other

Total other vehicles (staff, maintenance, etc.)

- 1 diesel
- 7 gasoline

Propane refueling facilities: 6
Gallons on-site propane storage: About 1,200 per site; tanks are filled 1-2 times/week
Years using propane: 15

PROPANE COST SAVINGS

Annual savings to district through use of propane: \$150,000

ADDITIONAL COMMENTS/QUOTES

“We use propane to promote cleaner air for our region and have enjoyed substantial cost savings with the dramatic increases in diesel fuel. The ability to have fuel on-site without a large investment in infrastructure has also been a plus to CARTS. Customers and policy makers appreciate our investments in clean-air technologies, and we plan to continue efforts to this end.” --Dave Marsh





PROPANE BUS FLEET

C A S E S T U D Y

CITY OF PORT ARTHUR TRANSIT

Transportation Department
Tom Kestranek, Transit Manager
320 Dallas Avenue, P.O. Box 1089
Port Arthur, Texas 77641
(409) 983-8767
(409) 983-8609 FAX

BACKGROUND FACTS

39 sq. miles, 57,755 population
Transports 144,000 passengers annually
Annual transit bus mileage: 360,000 miles
Current annual usage of propane: 101,250 gals.

FLEET FACTS

Total transit buses: 10

- 10 Propane
- 0 Diesel
- 0 Other

Propane refueling facilities: 1
Gallons on-site propane storage: 1,000
Years using propane: 5

ADDITIONAL COMMENTS/QUOTES

Our public loves our propane buses, because they're not noisy like diesel buses. Sandifer's LP has given us exceptional service. During the evacuation for Hurricane Rita along the Texas Gulf Coast, many motorists were stranded because they ran out of gas. Richard Sandifer drove a propane bobtail to follow the City of Port Arthur's transit vehicles during the evacuation, to ensure that our clients made it safely to their destinations. Richard slept in his bobtail for two nights and on the floor of a gymnasium for another three nights to ensure that we got the propane we needed.

--Tom Kestranek



PROPANE FLEET CASE STUDY

Propane Powers Denton ISD School Buses

Denton Independent School District operates the 4th largest propane fleet in Texas. Denton transports 2.4 million students annually, with over 50% of the fleet powered by propane. The school buses travel 1.7 million miles during the year using 240,000 gallons of propane.

Denton ISD is committed to being a leader in the campaign to promote cleaner air. This is why any future increase in the fleet will be propane-fueled. “We practice what we teach!” said Gene Holloway, transportation director. Denton’s fleet life-cycle replacement program is focused on becoming 100% propane because the alternative fuel is cleaner, as well as being cost-effective. Denton District realizes an annual savings of \$692,900 through its use of propane.

Denton Fleet Facts

Fleet Type: School Bus Fleet
Fuels: Propane, Biodiesel,
Gasoline
Fleet Size: 139 school buses
Propane-fueled: 52%



Fleet Composition

The Denton ISD's fleet comprises of sixty-nine TB7T042 GMC 71-passenger propane-fueled buses. In addition, thirty-eight biodiesel buses and thirty-two unleaded gasoline-powered buses are used. Denton recently purchased 44 new Blue Bird propane-fueled buses.

Working with Capital Bus Sales and Service of Texas in Leander, the School District has successfully switched or changed fifty-two percent of its fleet vehicles to propane, and as stated above, any new purchases will be propane-fueled.

Superior performance

Pleased with the performance of his fleet vehicles, Joe L. Alvarez counts public appreciation of the School District's efforts to reduce and eliminate diesel fueled bus exhaust emissions, less internal engine maintenance, and lower fuel costs as some of the direct benefits arising from the decision to use propane motor fuel.

Although the propane fleet buses provide slightly lower fuel economy, the average fuel cost is almost 50 percent less than gasoline. In addition, the overall performance of the propane fleet buses is superior when compared with that of conventional fuel fleet buses; an analysis of the average life span of engines and vehicles, both in terms of months and mileage, shows that engines and vehicles fueled by propane last as long as those powered by conventional fuel. And as Joe said, "The life span and value provided by a propane fleet vehicle is higher than the costs incurred to convert a conventional fuel fleet vehicle to propane."

Refueling & Infrastructure

Each fleet vehicle consumes an average of 11.14 gallons of propane fuel per day. All propane fleet vehicles are refueled on-site from a 12,000-gallon truck mounted tank. A 2,000-gallon above ground stationary tank serves as the satellite refueling source. And since propane is readily available, the School District did not have to incur any additional infrastructure costs to procure or store propane for refueling purposes.

Advantages of Using Propane as a Fleet Fuel

Range: A 25-gallon propane tank, as motor fuel, will last longer than any other alternative motor fuel.

Cost: Propane costs less than gasoline and is the lowest priced alternative fuel for fleet use in Texas.

Availability: In addition to several private fleet-refueling stations, there are hundreds of public refueling stations for propane. Many major truck stops sell propane motor fuel. Modern, 24-hour stations are also being installed.

Safety: Propane is considered to be a safe motor fuel by the Federal government. Propane tanks are 20 times as puncture-resistant as gasoline tanks. Of all the alternative motor fuels, propane has the lowest flammability range—making it a safe motor fuel.

Emissions: Propane is inherently cleaner than gasoline and can meet or exceed those emission levels from other alternative fuels. Propane can easily meet or exceed current and future emission standards.

Infrastructure: Propane is already produced commercially in natural gas and oil refineries in the country and across the globe. No new technology or capital investment for such technology is required.

For more information about propane fleet vehicles, visit www.usepropane.com/climate or contact:

Brian Feehan

Vice President

Propane Education & Research Council

Phone: 202-452-8975

Email: brian.feehan@propanecouncil.org



**PART TWO
OF
RESPONSE TO:**

Request for Proposal (RFP) # PPEA/SOA 2011-07-22

Pursuant to Public–Private Education Facilities and Infrastructure Act-2001 and PPEA Guidelines
Commonwealth Alternative Fuel Vehicles Implementation Plan Code of Virginia § 2.2-1176

FROM:

The Alliance AutoGas Extended Partnership



COMMONWEALTH OF VIRGINIA PROCEDURES JANUARY 31, 2012

If the Commonwealth decides to proceed to the detailed stage (Part 2) with one or more proposals, each selected private entity must provide the following information, where applicable, unless the responsible Agency waives the requirement or requirements:

1. A topographical map (1:2,000 or other appropriate scale) depicting the location of the proposed project; **N/A**
2. A conceptual site plan indicating proposed location and configuration of the project on the proposed site; **Project partners to coordinate directly with fleets, pending additional direction and provision of fleet details from Commonwealth**
3. Conceptual (single line) plans and elevations depicting the general scope, appearance and configuration of the proposed project; **N/A**
4. A detailed description of the proposed participation, use and financial involvement of the State, agency and/or locality in the project. Include the proposed terms and conditions for the project if they differ from the standard state General Conditions;

The Alliance AutoGas extended partnership consisting of Blossman Gas, Inc., Phillips Energy, Inc., American Alternative Fuel, ROUSH CleanTech, CleanFuel USA and Superior Energy is proposing to develop a public-private partnership with the Commonwealth of Virginia under the guidelines of the Public-Private Education Facilities and Infrastructure Act of 2002 in order to help achieve the vision of reducing Virginia's dependence on foreign oil, while simultaneously expanding the alternative fuel dispensing infrastructure and vehicle markets in Virginia, and supporting the expansion of private sector businesses and creating jobs. The proposed partnership model leverages some of the most experienced, innovative, effective and influential partners in the propane autogas alternative fuel market.

The partners are dedicated to developing and implementing a successful long-term and cost-effective propane autogas, biofuel and E-85 vehicle strategy for the Commonwealth's state-owned vehicles, other partner fleet-owned vehicles and the public and making available to the Commonwealth propane autogas EPA approved aftermarket propane autogas conversion kits and autogas OEM-equivalent vehicles (PRINS VSI Systems, ROUSH/Ford OEM and CleanFuel USA/GM OEM).

The Alliance AutoGas partners have come together to provide a complete and well informed alternative fueling program for fleets and individuals in the Commonwealth of Virginia to shift from conventional gasoline to economical, clean-burning and domestically produced propane autogas. The program features:

- The leading propane autogas conversion system supplier
- The only two suppliers of OEM-Equivalent, dedicated propane autogas vehicles
- The installation and maintenance of onsite propane autogas fuel dispensing infrastructure by the most experienced autogas fuel supplier
- Involvement from leading Virginia public universities, non-profit and industry organizations
- A comprehensive safety, operations and maintenance program
- A scalable infrastructure strategy that easily and cost effectively accommodates growth to include expansion for public refueling accessibility as demand increases are achieved
- A supplementary fuel provision and associated infrastructure to increase usage of ethanol and biodiesel blends



The partnership addresses the objectives of this public-private initiative including:

- Reducing the Commonwealth's dependency on gasoline and diesel fuel for the operation of state-owned vehicles: Over 90 percent of propane autogas is produced right here in the United States, with another 7 percent coming from Canada. Supply of propane is expected to increase in the foreseeable future. Initial estimates indicate the Commonwealth could displace over 4 million gallons of petroleum annually with this program.
- Reducing emissions from the operation of the Commonwealth's state-owned vehicles: propane autogas produces at least 40% less nitrogen oxides (NOx) and over 22% less CO₂-equivalent greenhouse gasses than gasoline. Initial estimates indicate the Commonwealth could avoid over 16 million pounds of greenhouse gas emissions by switching to propane autogas and/or using biofuels in an estimated 3,377 vehicles.
- Exploring cost-efficient and cost saving strategies: In addition to fuel cost savings that are to be expected, propane autogas infrastructure implementation and conversion from gasoline to propane autogas is significantly less expensive than other alternative fuels and a robust propane distribution network already exists for propane in the Commonwealth. Program fueling partners will provide autogas fueling infrastructure at no capital cost to the Commonwealth with a minimum gallon fueling contract. The team will work with the Commonwealth to determine the most economical deployment strategy, including recommendations for other cost saving strategies.
- The partnership includes team members Blossman Gas, Inc., Phillips Energy, Inc., American Alternative Fuel, Roush Clean Tech, Clean Fuel USA and Superior Energy, which collectively have the most practical experience in implementing large-scale propane autogas and biofuels vehicle deployment programs in the public and private sectors. The partners have strategically identified Commonwealth fleets that are optimal targets for shifting to propane autogas and biofuels. The program is designed to address the three-phase approach outlined by the Commonwealth. The Commonwealth can therefore increase the use of economical, American-made fuels; create regional, green collar jobs; benefit local communities economical and environmentally; maximize use of taxpayer dollars; and achieve an unprecedented, budget-neutral alternative fuel program powering thousands of vehicles.

a. Description of the requirements of fleets that participate – **For a fleet of 20 or more light- and/or medium-duty vehicles, Alliance will supply fueling infrastructure at the fleet base or at a location designated by the state at no upfront cost.** Please also see Proposal Part One sections II.b.iii.c and II.b.iv of the Alliance AutoGas partners response to RFP.

b. Propane AutoGas / Bio-Diesel / E 85

c. Next Steps - Pilot Program

Alliance AutoGas partners recommend the roll-out of a pilot program to begin propane autogas implementation immediately and to ensure the program is customized to accommodate Commonwealth fleet specs before being rolled-out across the state.

The program partners recommend the rollout of vehicle test groups and associated infrastructure for 4-5 Commonwealth fleets, at a vehicle total of 20-25 vehicles per fleet. Alliance program partners believe that approximately 100 vehicles, diversified among several entities will provide adequate testing groups for customizing the specifics of this program to accommodate the Commonwealth and its fleets.

Working with fleet test groups of 20-25 vehicles will allow the partners to establish onsite (scalable) infrastructure for each fleet group. The Alliance partners will work with each fleet to determine appropriate vehicle makes and models, as well as whether vehicle conversion or purchase of an OEM-equivalent vehicle is most appropriate in each instance.

Alliance partners will provide fueling infrastructure for each fleet test group of at least 20 vehicles and will work with the Commonwealth fleets to ensure the best possible infrastructure placement.



Pilot Program continued

Having reviewed the information currently available from the Commonwealth, The Alliance program partners have identified the following groups as ideal candidates for participation in the pilot program.

- DGS (Department of General Services)
- VDOT (Virginia Department of Transportation)
- Virginia State Police
- State colleges and/or universities (e.g. ODU)

The Alliance partners request the assistance of the Commonwealth in connecting with the appropriate contacts from each of the fleets indicated above, or alternate fleets as indicated by the Commonwealth. The Alliance partners will also need access to detailed fleet data for each fleet including but not limited to precise vehicle makes, model and year; annual mileage data; fueling patterns and current locations used; degree to which vehicle operates around a central home base; whether each vehicle has one more multiple drivers etc.

Alliance partners will work with fleets to ensure monitoring of data and usage for the purposes of the pilot program. As detailed in Phase 1 of this proposal, Alliance partners will provide all necessary safety, operational and technical training and consulting to participating fleets.

The Alliance Partners view autogas as the primary alternative fuel for implementation through this program, but are also offering biodiesel and E-85 in order to ensure the Commonwealth's needs in an alternative fuel program, relative to each fleet, are adequately met. The following is an overview of how biodiesel and E-85 can be incorporated into this phase of the project.

Bio-diesel/E85:

The state fleet data presents opportunities for both E85 and Biodiesel. After evaluation of the data, we see immediate opportunities with VDOT for Biodiesel and E-85. We also see opportunities for The Virginia State Police, DGS as well as several Universities as potential E-85 users.

We currently view the E-85 solution as a short/mid range plan in our overall agenda. We will either utilize existing infrastructure, when possible, or add additional infrastructure, where the volume of vehicles meet our minimum requirements, to allow an alternative fueling strategy for flex fuel vehicles. Our long range plan will be to evaluate E-85 as a continued alternative fuel or to target E-85 vehicles for conversion or replacement with a propane fueled vehicle.

The Biodiesel solution is a much simpler solution as it relates to infrastructure. We will evaluate current infrastructure for transition to Biodiesel. Evaluation of current state diesel infrastructure suggests several sites in the Commonwealth with multiple tanks. Our initial intent will be to utilize these sites so that both Diesel and Biodiesel will be fueling options while fleets transition to Biodiesel and become comfortable with its performance. Our long range solution will be to include Bio-diesel at the vast majority of diesel refueling sites in addition to adopting emerging diesel/propane technologies.

For additional details regarding the expertise of Alliance AutoGas partners please also reference Proposal Part One sections I.b, I.c, II.b.v, and II.b.vi.

5. A list of public utility facilities, if any, that will be crossed by qualifying project and a statement of the plans of the proposer to accommodate such crossings: **Project partners already provide autogas fueling at the following locations. Pending affirmation from the Commonwealth, project fueling partner providers will approach each of these entities to confirm willingness to make their infrastructure accessible to state fleets. The locations labeled as Blossman Gas and Phillips Energy have already agreed to accommodate project partners in this endeavor.**



Currently private fueling sites with potential for public access:

- | | |
|--|--|
| a. James Madison University / Harrisonburg, VA | Existing Private Fueling Autogas / Crossover with State |
| b. University of Richmond / Richmond, VA | Existing Private Fueling Autogas / Crossover with State |
| c. Augusta County Sheriff / Verona, VA | Existing Private Fueling Autogas / Cross Over with State |
| d. Culpeper County Sheriff / Culpeper, VA | Existing Private Fueling Autogas / Crossover with State |
| e. Frederick County Sheriff / Winchester, VA | Existing Private Fueling Autogas / Crossover with State |
| f. City of Newport News / Newport News, VA | Existing Private Fueling Autogas / Crossover with State |
| g. Spotsylvania County / Spotsylvania, VA | Existing Private Fueling Autogas / Crossover with State |
| h. Abs Vans / Fredericksburg, VA | Existing Private Fueling Autogas / Crossover with State |
| i. Groome Transportation / Sandston, VA | Existing Private Fueling Autogas / Crossover with State |
| j. Propane Taxi / Dulles Airport | Existing Private Fueling Autogas / Crossover with State |
| k. City of Roanoke / Roanoke, VA | Existing Private Fueling Autogas / Crossover with State |
| l. Phillips Energy / Gloucester, VA | Existing Private Fueling Autogas / Crossover with State |
| m. Blossman Propane Gas / Gordonsville, VA | Existing Private Fueling Autogas / Crossover with State |

Public Fueling:

- | | |
|---|--|
| a. Blossman Propane Gas / Weyers Cave, VA | Existing Public Fueling Autogas / Crossover with State |
| b. Blossman Propane Gas / Powhatan, VA | Existing Public Fueling Autogas / Crossover with State |
| c. Blossman Propane Gas / Bedford, VA | Existing Public Fueling Autogas / Crossover with State |
| d. Tidewater Imports / Virginia Beach, VA | Existing Public Fueling Autogas / Crossover with State (pending) |
| e. Phillips Energy / Gloucester, VA | Existing Public Fueling Autogas / Crossover with State |

Lead Fueling Facility Locations for Project:

Blossman Gas, Inc. - Gordonsville, VA

207 South Main Street

Gordonsville, VA 22942

Gordonsville, Albemarle, Charlottesville, Albemarle County



Blossman Gas, Inc. – Bedford, VA

1088 Moneta Road

Bedford, VA 24523

Appomattox, Lexington, Lynchburg, Salem, Bedford, Clifton Forge

Blossman Gas, Inc. – Powhatan, VA

2009 New Dorset Road

Powhatan, VA 23139

**Ashland, Petersburg, Richmond, Powhatan, Buckingham, Chesterfield, Colonial Heights,
Dillwyn, Mineral**

Blossman Gas, Inc. – Weyers Cave, VA

7162 Cross Keys Road

MT Crawford, VA 22841

Luray, Staunton, Blacksburg, Harrisonburg

Blossman Gas, Inc. – Fredericksburg, VA

3940 Plank Road Ste N

Fredericksburg, VA 22407

Bowling Green, Culpeper, Fredericksburg, Springfield

Blossman Gas, Inc. – Berryville, VA

30 West Main Street

Berryville, VA 22611

Fairfax, Warren, Leesburg, Manassas

Blossman Gas, Inc. – Elizabethtown, TN

1121 Highway 19E Bypass

Elizabethtown, TN 37644

Bristol

Blossman Gas, Inc. – Greensboro, NC

3500 Associate Drive

Greensboro, NC 27405

Danville



Phillips Energy, Inc. – Gloucester, VA

2586 George Washington Memorial Hwy

Hayes, VA 23077

Chesapeake, Newport News, Franklin, Norfolk, Suffolk, Hampton, Peninsula, Williamsburg

6. A statement and strategy setting out plans for securing all necessary property. The statement must include the names and addresses, if known, of the current owners of the subject property as well as a list of any property the proposer intends to request the public entity condemn; **N/A**
7. A detailed listing of all firms that will provide specific design, construction and completion guarantees and warranties, and a brief description of such guarantees and warranties;
 - a. American Alternative Fuel – PRINS VSI System / Attached / EPA
 - b. 3 Year 30,000 Mile Warranty
 - c. Extended Warranty Available
 - d. ROUSH Clean Tech / Ford Manufacturer Warranty / OEM
 - a. Clean Fuels USA / GM Manufacturer Warranty / OEM
 - b. Superior Energy / Attached / UL Approved
 - c. Blossman Propane Gas (See Proposal Part One section: II.b.ii, iii)
 - d. Phillips Energy (See Proposal Part One section: II.b.ii, iii)
 - e. Conversion Centers - Alliance AutoGas Authorized Centers (See Proposal Part One Section II.b.vi)
8. A total life-cycle cost specifying methodology and assumptions of the project or projects and proposed project start date. Include anticipated commitment of all parties; equity, debt, and other financing mechanisms; and a schedule of project revenues and project cost. The life-cycle cost analysis should include, but not be limited to, a detailed analysis of the project of return, or both, expected useful life of facility and estimated annual operating expenses.
FOR DISCUSSION, (Also, see Proposal Part One Section III)
9. A detailed discussion of assumptions regarding user fees or rates and usage of the project. **N/A**
10. Identification and discussion of any known government support or opposition, or general public support or opposition for the project. Government or public support should be demonstrated through resolution of official bodies, minutes of meetings, letters, or other official communications. **N/A**
11. Demonstration of consistency with appropriate local comprehensive or infrastructure development plans or indication of the steps required for acceptance into such plans. **N/A**
12. Explanation of how the proposed project would impact local development plans of each affected local jurisdiction.
(Refer to: Request for Proposal (RFP) # PPEA/SOA 2011-07-22)
13. Description of an ongoing performance evaluation system or database to track key performance criteria, including but not limited to, schedule, cash management, quality, worker safety, change orders, and legal compliance.
FOR DISCUSSION



14. Identification of the executive management and the officers and directors of the firm or firms submitting the proposal. In addition, identification of any known conflicts of interest or other disabilities that may impact the public entity's consideration of the proposal, including the identification of any persons known to the proposer who would be obligated to disqualify themselves from participation in any transaction arising from or in connection to be the project pursuant to The Virginia State and Local Government Conflict of Interest Act, Chapter 31 (§ 2.2-3100 et seq.) of Title 2.2:

Project Lead: Stuart E. Weidie; President and CEO, The Blossman Companies

Stuart Weidie serves as president and CEO of The Blossman Companies, a retail LP Gas marketer located in the southeastern and mid-Atlantic United States. Blossman Gas and Appliance is the largest independent LPG marketer in the country and with 65 locations offers a full line of appliances, gas products and installation services.

Mr. Weidie is also president of Alliance AutoGas, a nationwide network of companies providing propane autogas vehicle conversions, equipment and fueling for government and private fleets. Mr. Weidie is also the Chairman of Autogas for America, which is a unified voice of the U.S. propane autogas market. Autogas for America is working with stakeholders toward a clean break from foreign oil and the reduction of tons of harmful vehicle emissions.

Mr. Weidie began his Blossman career in 1991 and in 1996 was named regional vice president, responsible for branch operations across six states. In 2000, Mr. Weidie became president of the company.

Mr. Weidie has a long history of industry involvement including roles within the National Propane Gas Association and various state LPG organizations. Additionally, he served for six years as chairman of the Research and Development Advisory Committee of the Propane Education and Research Council.

He holds a master's degree from the College of William and Mary and a Bachelor of Arts from the University of New Orleans. Mr. Weidie is married to Ann Perkins and they reside in Asheville, North Carolina with their six children.

15. Acknowledge conformance with Virginia Code Sections 2.2-4367 thru 2.2-4377 (the Ethics in Public Contracting Act);
No Conflict - Alliance AutoGas and Extended Partners can attest to the fact that we have no personal involvement or conflict with the Commonwealth of Virginia under the provisions of Virginia Code sections 2.2-4367 thru 2.2-4377.
16. Additional material and information as the Agency may request.

Agreed

Stuart E. Weidie

Date

President & CEO

The Blossman Companies / Alliance AutoGas

Note: Also attached are additional references and warranties (American Alternative Fuel – Superior Energy)



ADDITIONAL FLEET REFERENCES

Fleets operating on the PRINS Aftermarket Conversion Kits

- Airport Shuttle

Don Duvernay

(504) 212-5901

dduvernay@visitnola.com

As of 12/31/11 – 93,664.8 Gallons of Petroleum displaced

- Carroll County Georgia Sheriff

Captain Ken Reeves

(770) 830-5888

kreeves@carrollsheriff.com

As of 12/31/11 – 79,042.8 Gallons of Petroleum displaced

- Mountain Mobility

Bobby Somerville / Operations Manager

(828) 250-6742

mountainmobility@buncombecounty.org

As of 12/31/11 – 40,343.6 Gallons of Petroleum displaced

- Jackson County Georgia Sheriff

Captain Stan Evans

(706) 387-6008

sevens@jacksoncountysheriff.us

As of 12/31/11 – 98,794.0 Gallons of Petroleum displaced

- Raleigh Police Department

Captain Dug Brugger

(919) 996-1197

Doug.Brugger@raleighnc.gov

As of 12/31/11 – 10,889.7 Gallons of Petroleum displaced * (Not full year)

These 5 fleets represent: 322,734.9 gallons of petroleum displaced in 2011 • total average fuel savings \$322,734.00.



ADDITIONAL FLEET REFERENCES

Alliance AutoGas fleets operating on propane autogas, biodiesel and or E-85 through fuel provider Phillips Energy

- Gloucester County

Roger Kelly/ Director of Transportation

rkelly@gc.k12.va.us

804-693-2127

Propane Autogas for County School Buses, Biodiesel for School Buses

- City of Newport News

Bob McElheney/ Director, Vehicle & Equipment Services

bmcelheney@nngov.com

757-269-2402

Propane Autogas

- Baxter Insurance Group

Donna Freeman/ Manager

donna@thebaxterinsurancegroup.com

804-642-6512

Purchases E85 and Biodiesel at Retail Facility owned and operated by Phillips Energy, Inc.

- Shackelford Seafood

Tommy Shackelford/ Owner

804-642-2022

Fleet Biodiesel

- JSA Jefferson Labs

Kris Burrows/ Vehicle Control Officer

burrows@jlab.org

757-269-7548

Bulk E85 Delivery



American Alternative Fuel System Warranty Terms and Conditions

DEFINITIONS

Administrator.....refers to American Guardian Warranty Services, Inc.
Coverage.....refers to the component protection **You** have been provided as shown on the **Warranty Registration Page**
Failure.....**Failure** is defined as a **Failure** of a defective part or faulty workmanship as supplied by the Manufacturer or Distributor, but does not include gradual reduction in operating performance due to wear or tear or damage resulting from **Failure** of non-covered parts.
Warranty.....refers to this **Warranty** provided by **Us** to protect **Your Unit**.
We, Us, Our.....refers to the entity who is obligated to perform under this **Warranty**, as indicated on the **Warranty Registration Page**.
You, Yourrefers to the **Warranty** holder named on the **Warranty Registration Page** or the person to whom this **Warranty** was properly transferred.
Unitrefers to the **Unit** which is described on the **Warranty Registration Page**, which cannot be used for rental, or for-hire purposes.

TERMS AND CONDITIONS

The following represents the Coverage, What to do in the Event of a **Failure** and Exclusions of **Your Warranty**. This document is an Application for the **Warranty** and does not constitute a **Warranty** until accepted by **Administrator**.

1. WARRANTY PERIOD:

Coverage under this **Warranty** begins immediately and will expire three (3) years from the start date or 36,000 miles from the odometer miles at the start date, whichever occurs first, as shown on the **Warranty Registration Page**.
NOTE: **Warranty** expiration is measured from the installation date.

2. FAILURE OF COVERED PARTS: **We** will pay or reimburse **You** for reasonable costs to repair or replace any **Failure** of a part included in **Your Coverage**. Replacement parts may be new, remanufactured or replacement parts of like kind and quality.

3. TERRITORY: This **Warranty** is limited to **Failures** which occur, and repairs that are made, within the United States of America and Canada.

4. LIMIT OF LIABILITY: The aggregate Limit of Liability for the term of this **Warranty** shall not exceed the actual cash value of the components covered under this **Warranty**.

5. OUR RIGHT TO RECOVERY: If **We** pay anything under this **Warranty** and **You** have a right to recover from another party, **Your** rights will become **Our** rights up to the amount **We** paid. **You** will do whatever is necessary to enable **Us** to enforce these rights.

6. TRANSFER RIGHTS: This **Warranty** is for the benefit of the original **Warranty** holder and is transferable subject to a transfer fee and inspection providing:

a) Proof of transfer of the remaining manufacturer's warranty is provided, if applicable.

b) **Warranty** is being transferred to a subsequent private purchaser of **Your Unit**. (Transfer rights are voided when **Unit** is either traded, sold or put on consignment to an individual or entity engaged in the wholesale or retail sale, leasing or rental of **Units**.)

You must submit the following:

a) Transfer application (Available from **Administrator**).

b) Bill of sale showing sale date and mileage at time of sale.

c) \$50.00 Transfer fee made payable to the **Administrator** within thirty (30) days of the transfer of **Unit** ownership.

7. MAINTENANCE REQUIREMENTS: **You** must maintain **Your Unit** according to the manufacturer's recommendations as outlined in the owner's manual. **Your** owner's manual has separate required maintenance schedules for "normal" and "more severe" operating conditions. **You** are required to follow the maintenance schedule that applies to **Your** conditions. **You** must be sure only the proper grade of lubricants and coolants, as recommended by the manufacturer, is used in **Your Unit**. It is necessary for **You** to retain verifiable receipts for all parts and materials necessary to perform the required maintenance. If necessary, this documentation will be verified by the **Administrator**.

8. ARBITRATION: If **We** and **You** do not agree on the settlement of any claim, either party may make a written request for arbitration. In this event, each party shall select an arbitrator. The two arbitrators shall select a third. If they cannot agree on a third within thirty (30) days, either may request that the selection be made by a judge of a court having jurisdiction. Each party shall pay the expenses they incur, and bear the expenses of the third party arbitrator equally. A decision agreed to by any two of the arbitrators shall be binding on both parties.



WHAT TO DO IN THE EVENT OF A FAILURE

1. Prevent Further Damage - **You** should use all reasonable means and precautions to protect **Your Unit** from further damage. This **Warranty** will not cover damage caused by not securing a timely repair of the failed component.
2. If **Your Unit** breaks down, return to the Issuing Distributor during normal service department hours. If this is not possible, take **Your Unit** to the licensed repair facility of your choice (You may contact **Administrator** for assistance in locating a repair facility).
3. Instruct the repair facility that they must obtain an authorization number from **Administrator** prior to proceeding with repairs. The amount so authorized is the maximum that will be paid. Any additional amounts need prior approval.
4. In some cases, **You** may be required to authorize the repair facility to inspect or tear down **Your Unit** to determine the cause and cost of the repair. **You** will be responsible for these charges if **Failure** is not covered by this **Warranty**. **We** reserve the right to require an inspection of **Your Unit** prior to any repair being performed.
5. After **Administrator** has been contacted, review with the repair facility components that will be covered by this **Warranty**.
6. **Administrator** will reimburse the repair facility or **You** for the cost of authorized repairs performed on **Your Unit**. All repair orders and necessary documentation must be submitted to **Administrator** within thirty (30) days to qualify for payment.

SERVICE DEPARTMENT GUIDELINES FOR CLAIMS HANDLING

Follow these steps when handling a claim:

1. Advise **Warranty** holder that evaluation of a **Failure** does not mean that the repair is covered under this **Warranty**. All covered repairs must receive prior authorization by **Administrator**.
2. Have **Warranty** holder authorize inspection/tear down of the **Unit** to determine **Failure's** cause and cost to repair. Save all components, including fluids and filters, should **Administrator** require outside inspection. Notify **Warranty** Holder that cost of tear down will not be paid if it is determined that **Failure** is not covered under this **Warranty**.
3. Determine the cause of **Failure**, correction required and cost of the repairs.
4. Contact **Administrator's** Claims Advisor at **800-579-2233** to get authorization to proceed with the claim. Be prepared with the following when placing the call:
 - a. Customer's Name and **Warranty** Number.
 - b. Cause of **Failure** and recommended correction.
 - c. Cost of repair.
5. The Claims Advisor will verify coverage and do one of the following:
 - a. Approve Claim - If approved, you will be given an authorization number to be recorded on the repair order. The authorized amount is the maximum that will be paid. Additional amounts must receive prior approval.
 - b. Require Additional Evaluation, Inspection or Tear Down - **Administrator** may require an inspection prior to repair being completed. If a tear down is required to determine cause of **Failure**, **Warranty** holder must authorize same. Notify **Warranty** holder that if the repair is not covered, then **Warranty** holder will be responsible for cost of the tear down. Repair facility should save all components requiring inspection, including fluids and filters. The Claims Advisor will arrange for the inspection. If inspection is not made within forty-eight (48) hours, contact the Claims Advisor.
 - c. Deny the claim and provide the reason for the denial.
6. Review **Administrator's** findings with **Warranty** holder as well as what will be covered by **Warranty** and what portion of the repairs, if any, will not be covered.
7. Obtain **Warranty** holder's authorization to complete repairs. All repair orders must have customer's signature to qualify for payment.
8. Submit repair order(s) which should contain **Warranty** number, authorization number and authorized amount to **Administrator** within thirty (30) days at the following address:

American Guardian Warranty Services, Inc.
PO Box 3538, Glen Ellyn, IL 60138
1-800-579-2233, Claims Fax 630-790-6035
www.agwsinc.com



EXCLUSIONS

Parts not listed are not covered.

This Warranty Provides NO Coverage or Benefits for the following:

- A. ANY FAILURE RESULTING FROM COLLISION; INTERNAL OR EXTERNAL FIRE; THEFT; VANDALISM; RIOT; EXPLOSION; LIGHTNING; EARTHQUAKE; FREEZING; RUST OR CORROSION; SMOKE OR SOOT; WINDSTORM; PESTS; HAIL; WATER OR FLOOD; FREEZING OR ICE DAMAGE; REVERSE POLARITY; ACTS OF GOD; CHEMICALS; SALT, SAP, SAND, DIRT OR OTHER OBSTACLES; COSMETIC OR PAINT CHANGES; ELECTROLYSIS; ENVIRONMENTAL DAMAGE; DETERIORATION, CONDENSATION, CONTAMINATION OR LOSS OF FLUIDS, FUELS, COOLANTS OR LUBRICANTS.
- B. ANY FAILURE CAUSED BY MISUSE; ABUSE; NEGLIGENCE; LACK OF NORMAL MAINTENANCE REQUIRED BY THE MANUFACTURER'S MAINTENANCE SCHEDULE FOR YOUR UNIT; IMPROPER SERVICING BY YOU AFTER THE EFFECTIVE DATE OF THIS WARRANTY; CARBON OR SLUDGE BUILD-UP OR NOT MAINTAINING PROPER LEVELS OF LUBRICANTS AND/OR COOLANTS; PREDETONATION/PREIGNITION; OR NOT PROTECTING THE UNIT FROM FURTHER DAMAGE WHEN A FAILURE HAS OCCURRED.
- C. ANY REPAIR OR REPLACEMENT OF A COVERED PART IF A FAILURE HAS NOT OCCURRED; ANY UNAUTHORIZED REPAIR.
- D. IF ANY ALTERATIONS HAVE BEEN MADE TO YOUR UNIT THAT MAY EFFECT THIS PRODUCT OR YOU ARE USING, OR HAVE USED, YOUR UNIT IN A MANNER NOT RECOMMENDED BY THE MANUFACTURER. THIS WILL INCLUDE, BUT NOT BE LIMITED TO, THE FAILURE OF ANY CUSTOM OR ADD-ON PART; ANY FRAME OR SUSPENSION MODIFICATIONS; LIFT KITS; OVERSIZED/UNDERSIZED TIRES OR WHEELS; TRAILER HITCHES; AND OR MODIFICATIONS TO THE ENGINE, EMISSIONS OR EXHAUST SYSTEMS.
- E. IF YOUR ODOMETER HAS CEASED TO WORK AND REPAIRS HAVE NOT BEEN IMMEDIATELY MADE; THE ODOMETER HAS BEEN ALTERED IN ANY WAY SUBSEQUENT TO PURCHASE; OR IF UNIT'S TRUE MILEAGE CANNOT BE DETERMINED.
- F. ANY LIABILITY FOR PROPERTY DAMAGE, OR FOR INJURY TO OR DEATH OF ANY PERSON(S) ARISING OUT OF THE OPERATION, MAINTENANCE OR USE OF YOUR UNIT, WHETHER OR NOT RELATED TO THE PARTS COVERED. LOSS OF TIME, PROFIT, INCONVENIENCE, OR ANY OTHER LOSS THAT RESULTS FROM A FAILURE. ANY COST DIRECTLY ASSOCIATED WITH THE UPGRADING OF A COVERED PART OR COMPONENT THAT IS NO LONGER IN PRODUCTION, OBSOLETE OR NOT COST EFFECTIVE TO REPLACE (REPLACEMENT VALUE OF THE ORIGINAL PART WILL BE THE MAXIMUM ALLOWED); ANY COSTS IN EXCESS OF THE ACTUAL WHOLESALE OR TRADE-IN VALUE OF THE UNIT AT THE TIME OF THE REPAIR OR FAILURE. THIS WARRANTY DOES NOT PROVIDE COVERAGE FOR DAMAGES FOR BAD FAITH, PUNITIVE OR EXEMPLARY DAMAGES, PERSONAL INJURY INCLUDING BODILY INJURY, PROPERTY DAMAGE (EXCEPT AS SPECIFICALLY STATED IN THE WARRANTY) AND ATTORNEY'S FEES.
- G. REPAIRS TO SEIZED OR DAMAGED ENGINES DUE TO CONTINUED OPERATION WITHOUT SUFFICIENT LUBRICANTS OR COOLANT. THERMOSTAT IS NOT COVERED. YOU ARE RESPONSIBLE FOR MAKING CERTAIN THAT THE OIL AND TEMPERATURE WARNING LIGHTS/GAUGES ARE FUNCTIONING PROPERLY. YOU MUST PULL OFF THE ROAD IMMEDIATELY AND DISCONTINUE UNIT OPERATION WHEN EITHER OF THESE LIGHTS/GAUGES INDICATES INADEQUATE PROTECTION OR PERFORMANCE.
- H. WHEN RESPONSIBILITY FOR A REPAIR IS COVERED BY AN INSURANCE POLICY; WARRANTY FROM THE MANUFACTURER INCLUDING EXTENDED DRIVE TRAIN, MAJOR COMPONENT OR FULL COVERAGE WARRANTIES; A REPAIRER'S GUARANTEE/WARRANTY; OR FAILURES FOR WHICH THE MANUFACTURER HAS ANNOUNCED ITS RESPONSIBILITY THROUGH ANY MEANS, INCLUDING RECALL CAMPAIGNS AND FACTORY SERVICE BULLETINS.
- I. ANY FAILURE OCCURRING PRIOR TO THE WARRANTY ISSUE DATE, OR IF INFORMATION PROVIDED BY YOU OR A REPAIR FACILITY CANNOT BE VERIFIED AS ACCURATE OR IS FOUND TO BE INACCURATE.
- J. ANY FAILURE OCCURRING OUTSIDE OF THE UNITED STATES OF AMERICA OR CANADA.
- K. IF ITS ORIGINAL IDENTIFICATION (TRADE-MARK, SERIAL NUMBER) MARKINGS HAVE BEEN DEFACED, ALTERED OR REMOVED.
- L. ANY FAILURE OF A COMPONENT CAUSED BY THE FAILURE OF ANOTHER COMPONENT EXCEPT FOR A FAILURE TO THE INTERNAL COMBUSTION COMPONENTS LIMITED PISTON, PISTON RINGS, CONNECTING RODS, INTAKE AND EXHAUST VALVE, ENGINE BLOCK (CYLINDER CHAMBER) AND HEADS IF CAUSED BY THE FAILURE OF A COVERED COMPONENT.

Warranty Administered By:
American Guardian Warranty Services, Inc.
PO Box 3538
Glen Ellyn, IL 60138
1-800-579-2233



Superior Energy Systems (SES)**WARRANTY & REMEDIES****Warranties**

All Products will conform to the Specifications and mutually approved revisions to the Specifications, if any, which are incorporated into the Agreement and made a part hereof.

All Products will be free from defects in material and workmanship under normal use and service for a period of one year:

- a. SES's warranty obligations apply exclusively to Purchaser and shall not apply to any third party to whom Purchaser may have sold the Product without SES's prior written agreement. Liability of SES is conditioned upon the Product being installed, operated and maintained in accordance with written instructions provided or approved in writing by SES.
- b. SES makes no warranties which extend to damage to the Product due to deterioration occasioned by improper operation or maintenance; abnormal conditions of temperature; operation of the equipment above rated capacities or in an other- wise improper manner, or for incidents due to fortuitous events, *force majeure* or acts of god.
- c. Repairs or replacements made without SES's written approval will relieve SES of any obligation hereunder.
- d. SES makes no warranty whatsoever in respect to accessories, components and/or parts not manufactured by SES, including, but not limited to, engines, pumps, valves, motors, bearings and chains furnished by SES but not manufactured by SES. Such accessories, components and/or parts shall carry only the warranty of the manufacturer.

All Services will be performed in a workmanlike, efficient and safe manner and will conform to standards generally accepted in the trade or industry involved.

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE NOT SET FORTH IN A WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF SES.

Remedies

If any of the Products are found within one year after delivery to Purchaser to be defective in material or workmanship or otherwise not in conformity with the requirements of this Agreement due to the fault of SES or its contractors, Purchaser shall notify SES of such defects. In response, SES will either: (1) request Purchaser to return such products or components at SES's expense, in which event such Products or components shall be replaced or repaired by SES and returned to Purchaser at no additional expense to Purchaser; or (2) SES shall repair and correct such defects at the location of installation at no additional expense to Purchaser. Any and all reasonable expenses, including, but not limited to, shipping, and labor expenses, incurred by Purchaser in the exercise of its rights under this clause shall be reimbursed by SES.



SES will perform recommended repairs and corrections and shall repair, replace or modify parts and materials with due diligence upon receipt of notice of defects or deficiencies due to the fault of SES or its contractors, and Purchaser shall cooperate in providing reasonable access, data and technical assistance (if available) as required to develop and schedule repairs and related testing of modifications or repairs, if necessary, to correct such defects or deficiencies in the Products. Purchaser will return Products to SES's plant at SES's expense.

SES will schedule repairs to minimize disruption, loss and inconvenience to Purchaser, but SES will not be responsible for indirect, incidental, consequential or commercial losses such as lost profits attributable to the Products' removal from service for repair of defects or deficiencies.

1.1 LIMITATION OF LIABILITY

In no event will SES be liable for indirect, incidental, consequential or special damages incurred by Purchaser arising out of or relating to the transactions herein whether based upon contract, strict liability, tort (including negligence) warranty or otherwise, whether or not SES has been advised of the possibility of such damages. In no event shall the aggregate liabilities of SES to Purchaser arising out of or relating to the transactions herein exceed the aggregate purchase price to be paid by Purchaser to SES hereunder. Purchaser's remedies are exclusive to those set forth herein



Exhibit D

TERMS and CONDITIONS

A. General Terms and Conditions

1. **APPLICABLE LAWS AND COURTS.** This Contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using alternative dispute resolution. The Contractor shall comply with all applicable federal, state and local laws, rules and regulations.
2. **ANTI-DISCRIMINATION.** Contractor certifies and warrants that it shall conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the *Virginia Public Procurement Act (VPPA)*.

(a) During the performance of this Contract, the Contractor agrees as follows:

- (1) The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause, including the names of all contracting agencies with which the Contractor has contracts of over \$10,000.
- (2) The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
- (3) Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

(b) The Contractor will include the provisions of paragraphs 1, 2 and 3 above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

3. **ETHICS IN PUBLIC CONTRACTING.** The Contractor certifies and warrants that its proposal has been made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other supplier, manufacturer or subcontractor in connection with its proposal, and that it has not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
4. **IMMIGRATION REFORM AND CONTROL ACT OF 1986.** By entering into this Contract with the Commonwealth of Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the Contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.
5. **ANTITRUST.** By entering into this Contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia.
6. **PAYMENT.**
 - (a) **To Prime Contractor:**
 - (1) Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/Contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
 - (2) Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last.
 - (3) All goods or services provided under this Contract or purchase order, that are to be paid for with public funds, shall be billed by the Contractor at the Contract price, regardless of which public agency is being billed.

- (4) The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- (5) **Unreasonable Charges.** Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, § 2.2-4363).

(b) To Subcontractors:

- (1) The Contractor awarded this Contract is hereby obligated:
1. To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the Contract; or
 2. To notify the agency and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.
- (2) The Contractor is obligated to pay the subcontractor(s) interest at the rate of 0.25 percent per month on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. The Contractor's obligation to pay

an interest charge to a subcontractor shall not be construed to be an obligation of the Commonwealth.

(c) The Commonwealth of Virginia encourages the Contractor and its subcontractors, if any, to accept electronic and charge card payments.

7. **PRECEDENCE OF TERMS.** The following General Terms and Conditions APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, ANTITRUST, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this EXHIBIT, then the Special Terms and Conditions shall apply.
8. **TESTING AND INSPECTION.** The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.
9. **CHANGES TO THE CONTRACT.** The parties may agree in writing to modify the scope of the Contract. An increase or decrease in the price of the Contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the Contract.
10. **REPROCUREMENT COSTS.** In case of failure to deliver goods or services in accordance with the Contract terms and conditions, the Commonwealth, after five day's written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.
11. **TAXES.** As applicable, sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.
12. **INSURANCE.** The Contractor certifies that it will have the following insurance coverage at the time the contract is awarded. The Contractor further certifies that it and any of its subcontractors will maintain this insurance coverage during the entire term of the Contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED:

- (a) Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.
- (b) Employer's Liability - \$100,000.
- (c) Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
- (d) Automobile Liability - \$1,000,000 per occurrence.

13. **DRUG-FREE WORKPLACE.** During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

14. **eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION.** The eVA Internet electronic procurement solution, website portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet eProcurement solution either through the eVA Basic Vendor Registration Service or

eVA Premium Vendor Registration Service. All bidders or offerors must register in eVA and pay the Vendor Transaction Fees specified below.

Effective July 1, 2011, vendor registration and registration-renewal fees have been discontinued. Registration options are as follows:

- (a) eVA Basic Vendor Registration Service: eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, electronic bidding, and the ability to research historical procurement data available in the eVA purchase transaction data warehouse.
- (b) eVA Premium Vendor Registration Service: eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments.

Vendor transaction fees are determined by the date the original purchase order is issued and are as follows:

- (c) For orders issued July 1, 2011 thru June 30, 2013, the Vendor Transaction Fee is:
 - (1) DMBE-certified Small Businesses: 0.75%, capped at \$500 per order.
 - (2) Businesses that are not DMBE-certified Small Businesses: 0.75%, capped at \$1,500 per order.
- (d) For orders issued July 1, 2013 and after, the Vendor Transaction Fee is:
 - (1) DMBE-certified Small Businesses: 1%, capped at \$500 per order.
 - (2) Businesses that are not DMBE-certified Small Businesses: 1%, capped at \$1,500 per order.

The specified vendor transaction fee will be invoiced by the Department approximately 30 days after the corresponding purchase order is issued and payable 30 days after the invoice date. Any adjustments (increases/decreases) will be handled through purchase order changes.

- (e) For fuel purchases where no prior purchase order is issued, the Vendor Transaction Fee shall be 0.50% of the Contractor's invoiced Contractor Fee expressed in dollars, paid quarterly. Each quarterly eVA transaction fee payment shall be submitted to the Commonwealth's contract administrator within 15 days after the end of the quarter and shall be substantiated by an itemized report of the invoiced sales used to calculate the eVA transaction fee payment for that quarter. The report shall be provided in an Excel format and shall include the following itemized data:

- *Purchasing Agency/Entity
- *Contractor's Invoice Number
- *Contractor's Invoice Date
- *Contractor's Invoice Amount

*Fuel type
*Unit price
*Number of units
*Contractor's Fee

15. **AVAILABILITY OF FUNDS.** It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

16. **AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH.** The Contractor certifies and warrants that it is and shall remain during the term of the Agreement, authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the *Code of Virginia* or as otherwise required by law. The Commonwealth may void this Contract at any time should the Contractor fail to remain in compliance with the provisions of this section.

B. Special Terms and Conditions

17. **Acceptance, Testing and Compliance with Specifications.** All materials, equipment, and services provided by Contractor are subject to inspection and testing by the Commonwealth or authorized ordering entity and any that does not meet or exceed the *specifications or other* requirements of the Contract may be rejected. The Commonwealth or authorized ordering entity shall be given 30 days from the completion of installation by the Contractor (or 30 days after delivery if customer installed) to test, evaluate and accept the materials, equipment, and services delivered or furnished under this Contract (provided that the using agency, in its sole discretion, may accept the same prior to expiration to the 30 day period). If the Contractor's materials, equipment, or services fail to meet the Contract specifications or other requirements, including the specifications of the brand name, or those required by the Contractor's own technical documentation, then the same may be rejected and returned to the Contractor. Such rejection will terminate the applicable Order and exempt the Commonwealth or authorized ordering entity from all costs incurred by the Contractor.

Acceptance shall be effective for the purpose of determining title to that which is delivered and for making payment, however, acceptance by the Commonwealth or authorized ordering entity following testing and evaluation during the 30 day period shall not be conclusive that the materials, equipment, or services conform in all respects to the Contract specifications and other requirements. In the event that nonconformance therewith is discovered by the Commonwealth or authorized ordering entity after acceptance, whether due to a latent defect or otherwise, the Contractor shall take whatever action is necessary to conform the materials, equipment, or services to the Contract specifications and other requirements, including but not limited to modification or replacement of the same. The Contractor's failure to do so shall constitute breach of Contract.

18. **Advertising.** Contractor shall in no event issue or publish a press release, article, brochure, or other form of publication, promotional materials, or advertisement that includes statements about this Agreement, the Commonwealth and Public Bodies, or in any way use any logo, trademark, or other symbol of the Commonwealth and Public Bodies, without obtaining in advance the Commonwealth's written consent to the form and substance of such issuance, publication, advertisement, or use. Notwithstanding the foregoing, Contractor may identify the Commonwealth as a reference for all prospective customers of Contractor interested in obtaining services that are the same or substantially similar to the services hereunder, unless directed not to do so by the Commonwealth.

19. **Audit.** Contractor shall retain all books, records, and other documents relative to this Contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The Commonwealth and its authorized agents shall have full access to and the right to examine any of said materials during said period.
20. **Authority Retained by Commonwealth.** The Commonwealth shall have and at all times retain the exclusive right and authority to: (i) define, determine, and control the Commonwealth's policies, strategies, objectives, and goals relating to fuel, alternative fuels, vehicles, infrastructure; (ii) define, determine, and alter any or all of the Commonwealth's business processes; (iii) define and prescribe applicable design standards and planning with regard to alternative fuels, vehicles, and related infrastructure for the Commonwealth; and (iv) assess Contractor's quality and performance. Contractor shall at all times, during the initial or any renewal term, perform and provide the services or deliver the products in accordance with the strategies, processes, standards, and policies described in the immediately preceding sentence and in accordance with the Commonwealth's needs, subject to the terms of this Agreement. The Commonwealth may consider, but shall have the right to approve or reject, in its discretion, any and all Contractor proposed decisions with respect to any changes to the planning, design, or standards to any applicable Contractor-provided Product or Service, or that could reasonably be expected to materially increase the Fees payable by the Commonwealth for the Products or Services or to materially increase the costs incurred by the Commonwealth at any time in operating its business. The Commonwealth shall have the right to propose, subject to reasonable change control procedures, which may be established by and between the Parties: (i) to order add, delete, and modify any activity with respect to products, services, or resources used in connection with Contractor's provision of the Products or Services under this Agreement; and (ii) to designate the Commonwealth's requirements for development or enhancement activities with regard to the Commonwealth's fuel, fleet and vehicular infrastructure and related services. Moreover, Contractor shall be required to obtain the prior, written authorization of DGS before: (i) undertaking any activity that is within the exclusive authority of the Commonwealth to order, request, or designate pursuant to the terms hereof; (ii) using in the performance of this Agreement, or otherwise incorporating or introducing into the Commonwealth's environment, any proprietary product or other technology that materially increases, or might reasonably be expected to increase, the cost to the Commonwealth in using, operating, supporting, or maintaining the Products or Services in comparison to the cost that the Commonwealth would otherwise incur in such activities.

21. **Breach.** Contractor shall be deemed in breach of this Agreement if Contractor: (a) fails to provide any product or service by the specified delivery date, unless extended by mutual agreement; or (b) fails to comply with any other term of this Agreement and fails to cure such noncompliance within twenty (20) days (or such greater period as is acceptable to the Commonwealth) following Contractor's receipt of a Show Cause Notice identifying such noncompliance,.

The Contractor shall not be in breach of this Agreement if its default was due to causes beyond the reasonable control of, and occurred without any material fault or negligence on the part of, both the Contractor and its subcontractors. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Commonwealth in either its sovereign or Contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather.

In the event of material breach, in addition to any other remedies provided by law, the Commonwealth may cancel its obligations with respect to any or all unaccepted Products or Services. In no event shall any failure by the Commonwealth to exercise any remedy available to it be construed as a waiver of or consent to any breach.

22. **Cancellation of Contract:** The resulting contract may be terminated by either party, without penalty, at the expiration of the original term of this Agreement, or any renewal term thereof, upon sixty (60) days written notice to the other party. Any contract cancellation notice shall not relieve the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation. The Commonwealth shall be obligated for all outstanding Orders, according to the Contract, subsequent to any cancellation.

23. **Contractor/Subcontractor License Requirements.** Contractor certifies and warrants that it and all subcontractors shall be properly licensed by all appropriate and applicable federal, state, and local regulatory authorities in order to provide the materials, products, or services agreed upon under this Agreement, or any exhibit, Order, or addendum attached thereunder.

23. **Delivery Notification.** The Commonwealth or any authorized ordering entity using this Agreement shall be notified no less than forty-eight (48) hours, or as specified in the applicable Order, prior to delivery of any items so that Commonwealth staff may be available to allow access to the facility and to verify the items received. Notification shall be made to the individual(s) as stated in the applicable Ordering document.

24. **Discounts.** For any special, educational, or promotional sale prices, reductions, or other discount provided by Contractor to any customer, Contractor shall immediately extend and provide notification of such sale prices or discounts to the Commonwealth and all authorized ordering entities during the term of the Contract. Such notice shall also advise the duration of the specific sale or discount price. The Director, DGS Procurement shall be provided notice in advance of any such promotional discount being extended to any Authorized User that is eligible to utilize this Agreement.
25. **Dispute Resolution.** In accordance with Section 2.2-4363 of the Code of Virginia, Contractual claims, whether for money or other relief, shall be submitted in writing to the purchasing agency no later than sixty (60) days after final payment; however, written notice of the Contractor's intention to file such claim must be given to the agency at the time of the occurrence or beginning of the work upon which the claim is based. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The agency shall render a final decision in writing within thirty (30) days after its receipt of the Contractor's written claim.

The Contractor may not invoke any available administrative procedure under Section 2.2-4365 of the Code of Virginia nor institute legal action prior to receipt of the agency's decision on the claim, unless the agency fails to render its decision within thirty (30) days. The decision of the agency shall be final and conclusive unless the Contractor, within six (6) months of the date of the final decision on the claim, invokes appropriate legal action under Section 2.2-4364, Code of Virginia or the administrative procedure authorized by Section 2.2-4365, Code of Virginia.

Upon request from the agency, Contractor agrees to submit any and all contractual disputes arising from this contract to alternative dispute resolution. Contractor may invoke ADR procedures at any time and concurrently with any other statutory remedies prescribed by the Code of Virginia.

The Department of General Services, its officers, agents and employees, including, without limitation, the Contracting Officer, are executing this Agreement and any Orders issued hereunder, solely in its or their statutory and regulatory capacities as agent for the Commonwealth agency purchasing and receiving the goods or services need not be joined as a party to any dispute that may arise hereunder.

In the event of any breach by a Public Body, Supplier's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event

shall Supplier's remedies include the right to terminate any license or support services.

26. Billing Procedures.

- (a) Conditions of Payment. All deliverables provided by Contractor pursuant to this Contract shall be delivered/provided to the satisfaction of the Public Body and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. Contractor shall not receive payment for defective material or work found by the Public Body to be unsatisfactory, or performed in violation of federal, state, or local laws, ordinances, rules, or regulations.
- (b) Invoices. Invoices shall be rendered promptly to DGS or the purchasing agency named in any order issued pursuant to this Agreement after all deliverables covered by the invoice have been provided. No invoice may include any costs other than those identified in the Agreement or individual order referencing this Contract. Invoice shall provide at a minimum:
 - 1. Type and description of the goods and service;
 - 2. Name of Public Body
 - 4. Purchase order number, if any
 - 5. Invoice number
 - 6 Invoice date
 - 7. Contract number and
 - 8. Contractor's Taxpayer Identification Number (TIN)
- (c) Credits. Any credits due the Commonwealth under the terms of this Contract may be applied against Contractor's invoices with appropriate information attached.
- (d) No Additional Charges. Except for the fees described in the applicable Exhibit to this Agreement (as may be adjusted), DGS, nor any other Public Body, shall not be billed for, or be obligated to pay to Contractor any charges, expenses, or other amounts.
- (e) Non-binding Terms. Any terms and conditions that are typed, printed, or otherwise included in any Contractor invoice rendered pursuant to this Agreement shall be deemed to be solely for the convenience of the parties.

No such term or condition shall be binding upon the Public Body, and no action by the Public Body (including, without limitation, the payment of any such invoice in whole or in part) shall be construed as binding the Public Body with respect to any such term or condition, unless the specific term or condition has been previously agreed to by Contractor and the Commonwealth in writing.

27. **Indemnification**. Contractor agrees to indemnify, defend and hold harmless the Commonwealth of Virginia, its officers, agents, employees, and Public Bodies using this Agreement (each an “Indemnatee” and collectively the “Indemnitees”) from and against any and all liabilities, damages, losses, claims, expenses, demands, suits, fines and actions of any kind or nature (collectively “Claims”), whether at law or in equity, which may be suffered by, accrued against, charged to, or recoverable from any Commonwealth Indemnatee, by reason of any Claim arising from or related to any act, error or omission, or misconduct of Contractor, its officers, directors, agents, employees, and subcontractors, during the performance of this Agreement, including without limitation, Claims arising out of or relating to: (a) a violation of federal, state, or other laws or regulations for the protection of persons or members of a protected class or category of persons; (b) bodily injury (including death) or damage to tangible personal or real property; (c) the use of any materials, products, or equipment of any kind or nature furnished by the Contractor or of any services of any kind or nature furnished by the Contractor; or, (d) breaches or any representations made under this Agreement; provided however, that the foregoing indemnity shall not apply to the extent that the applicable Claim is attributable to the negligence of the using public body or to the failure of the using public body to use the materials, products, or equipment in the manner already and permanently described by the Contractor on the materials, products or equipment delivered; and provided, however, that the foregoing indemnity shall not apply to the extent that the applicable Claim resulted from the negligence of the Commonwealth of Virginia, its officers, agents, employees, and public bodies using this Agreement.

28. **Labeling of Hazardous Substances**. As applicable, Contractor certifies and warrants that any item or product delivered under this Contract that is deemed a “Hazardous Substance” as defined by § 1261 of Title 15 of the United States Code (U.S.C.) or “Pesticides” as defined in § 136 of Title 7 of the United States Code, then Contractor will ensure that such items or products are properly labeled as required by the foregoing sections, and by delivering the items or products the Contractor does not violate any prohibitions of Title 15 U.S.C. § 1263 or Title 7 U.S.C. § 136.

29. **Legal Compliance**

- (a) General. Each party shall at all times perform its obligations hereunder in compliance in all material respects with all applicable federal, state, and local laws and regulations of all applicable domestic jurisdictions, and in such a manner as not to cause the other party to be in violation of any applicable laws or regulations including any applicable requirements of any federal, state, and local authority regulating health, safety, employment, civil rights, the environment, hazardous materials, privacy, confidentiality, security, exportation, or telecommunications.
- (b) Federal Funding. Without limiting the generality of the foregoing section, Contractor shall at all times comply with all applicable federal laws, rules, regulations, guidelines, and mandates relating to the allocation of federal funds provided or granted to the Commonwealth, including Office of Management and Budget OMB Circular A 87, revised 5/10/04, as amended or superseded; provided that the Commonwealth provides notice to Contractor of the applicable federal funding criteria or that Contractor is aware of the applicability of such federal funding criteria.
- (c) Permits and Licenses. Except for approvals, permissions, permits, or licenses required by state or federal statute, ordinance, regulation, or other law to be obtained by the Commonwealth (including those required, if any, to permit the Commonwealth to enter into this Agreement), or as provided otherwise elsewhere in this Agreement, Contractor shall obtain and maintain, at its own expense, all approvals, permissions, permits, licenses, and other forms of documentation required in order for the parties to comply with all existing state or federal statutes, ordinances, regulations, and other laws that are applicable to Contractor's performance hereunder. The Commonwealth reserves the right to reasonably request and review all such applications, permits, and licenses prior to the commencement of performance hereunder, and Contractor shall promptly comply and cooperate with any such request. Notwithstanding the foregoing, the Commonwealth shall be solely responsible for monitoring, and compliance with, the substantive laws, rules, and regulations applicable to its business.
- (d) Debarment and Suspension. Contractor certifies that it and its affiliates, including any officers or principals therefore:
- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from

covered transactions by the commonwealth or any federal department or agency;

- (2) Have not, within the three (3) year period preceding this Agreement, been convicted of or had a civil judgment rendered against any of them for: the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State, or local) transaction; violation of federal or State antitrust statutes; or the commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (3) Are not presently indicted or otherwise criminally or civilly charged by a governmental entity (federal, State or local) with commission of any of the offenses described in paragraph (b); and
- (4) Have not, within the three (3) year period preceding this Agreement, had one or more material public transactions (federal or State) terminated for cause or default.

Contractor shall require each of its Subcontractors to certify to Contractor as to the matters set forth in paragraphs (i) through (iv) above, with respect to such Subcontractor and its officers and principals.

During the Term of this Agreement, in the event Contractor, or any of its Subcontractors, including any officer or principal thereof, (a) is or becomes debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any governmental entity (federal, State or local) or is indicted, charged or convicted, or has a civil judgment rendered against them for any offenses described in subsection (ii), above, or (b) is proposed for debarment, then: with respect to both subparts (i) and (ii) of this paragraph, Contractor shall provide DGS with a reasonably detailed written notice of such fact promptly following Contractor's receipt of formal notice.

30. **Miscellaneous**

- (a) Assignment of Contract. This Contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth, except as provided in the Comprehensive Agreement.

Except for permitted subcontracting, neither this Agreement, nor any interest herein, nor any of the rights and obligations of Contractor hereunder, may be directly or indirectly assigned, sold, delegated, or otherwise disposed of by Contractor, in whole or in part, without the prior written consent of the Commonwealth, which consent may not be unreasonably withheld or delayed. Any assignment made by Contractor in violation of this Section shall be null and void and of no force and effect.

- (b) Counterparts. This Agreement may be executed in one or more duplicate counterparts. Each such counterpart, if executed by both parties, shall be deemed an original, and such counterparts together shall constitute one and the same Agreement. This Agreement shall not be deemed executed unless and until at least one counterpart bears the original signature of each party's designated signatory. The parties agree that a facsimile or a signature which is scanned and emailed may substitute for and have the same legal effect as the original signature.
- (c) Expenses. Each party shall be solely responsible for all expenses paid or incurred by it in connection with the planning, preparation, negotiation, and consummation of this Agreement.
- (d) Relationship Between and Legal Status of Parties. This Agreement shall in no event be construed in such a way that either party constitutes, or is deemed to be, the representative, agent, employee, partner, or joint venturer of the other party. Contractor is and shall at all times be an independent contractor with regard to all performance under this Agreement. Neither party shall have the authority to enter into any agreement, nor to assume any liability, on behalf of the other party, nor to bind or commit the other party in any manner, except as expressly provided herein. Contractor's and its subcontractors' employees shall remain the respective employees of Contractor or its subcontractors, as applicable, and Contractor and its subcontractors shall have sole responsibility for all such employees, including responsibility for payment of all compensation to them, the provision of employee benefits to them, and responsibility for injury to them in the course of their employment. Contractor and its subcontractors shall be responsible for all aspects of labor relations with such employees, including their hiring, supervision, evaluation, discipline, firing, wages, benefits, overtime, and job and shift assignments, and all other terms and conditions of their employment, and

the Commonwealth shall have no responsibility whatsoever for any of the foregoing.

- (e) Non Exclusive Remedies. Unless expressly provided otherwise in this Agreement, no remedy set forth in this Agreement shall be exclusive of any other remedy and each such remedy shall be in addition to and not in lieu of every other remedy given hereunder, or now or hereafter existing or available at law, in equity, by statute, or otherwise.

31. **Most Favored Customer.** Contractor warrants and agrees that, throughout the term of this agreement, or any renewals or extensions thereof, no other public entity within the Commonwealth of Virginia will be given more favorable pricing than the pricing outlined in this agreement, unless Contractor has given Department advance notification of such proposed pricing, and the Contractor received the Department's written approval thereof. If Contractor does give more favorable vehicular propane pricing to another public entity within the Commonwealth, the pricing pursuant shall be deemed to automatically be reduced in this Agreement to the more favorable pricing, so long as the favorable pricing remains in effect. It is expressly understood and agreed to by the Department and Contractor that this most favored pricing section shall not apply to existing (existing defined as prior to the execution date of this Agreement) contracts between the Commonwealth or a Commonwealth Public Body and the Contractor that includes vehicular propane fuel services nor the renewal of such existing contracts.

32. **Orders.** Public Bodies may order products or services from this Contract by either of the following methods:

- (a) For conversion services, a purchase order (PO) shall be issued by the Public Body. For those public bodies required to use eVA and those that choose to use eVA for their purchasing requisitions, the PO's shall be processed through eVA.
- (b) For fuel purchases, the Public Body shall use the Contractor's fuel management card.

UNDER NO CIRCUMSTANCES SHALL ANY PUBLIC BODY OR OTHER ENTITY HAVE THE AUTHORITY TO MODIFY THIS AGREEMENT.

33. **Personnel Conflict of Interest.** The Commonwealth's policies expressly prohibit it and its employees from engaging in activities involving a conflict of interest.

Contractor shall not at any time during the Term of this Agreement knowingly employ or otherwise engage any Commonwealth employee for any purpose in any way related to Contractor's performance of its obligations hereunder. Contractor shall at all times exercise reasonable care and diligence to prevent any actions, circumstances, or conditions that could result in a conflict between Contractor (or any of its employees, agents, or Subcontractors) and the best interests of the Commonwealth. Such efforts by Contractor shall include establishing reasonable precautions to prevent its employees, agents, and Subcontractors from making, receiving, providing, or offering to any employees of the Commonwealth any gifts, entertainment, payments, loans, or other considerations that could appear to or be deemed to, or create the impression of an attempt to, influence individuals to act in a manner contrary to the best interests of the Commonwealth.

34. **Prime Contractor Responsibilities.** Contractor shall be responsible as the Prime Contractor for completely supervising and directing all work under this Contract and all subcontractors that it may utilize, using Contractor's best skill and attention. Subcontractors that perform work under this Contract shall be responsible to the prime contractor. Contractor agrees that it is as fully responsible for the acts and omissions of its subcontractors as it is for the acts and omissions of its own employees.
35. **Product Availability/Substitution.** Substitution of a product, brand or manufacturer during the term of this Agreement is expressly prohibited unless approved in writing by the Commonwealth Contracting Officer. The Commonwealth may, at its discretion, require the Contractor to provide a substitute item of equivalent or better quality subject to the approval of the Contracting Officer, for a price no greater than the Contract price, if the product for which the Contract has been awarded becomes unavailable to the Contractor.
36. **Security Compliance.** Contractor agrees to comply with all provisions of any then current security procedures of the Commonwealth or any Authorized user as are pertinent to Contractor's operation and have been supplied to Contractor by such Authorized User and further agrees to comply with all applicable federal, state and local laws and regulations. For any individual Commonwealth location, security procedures may include but not be limited to: background checks, records verification, photographing, and fingerprinting of Contractor's employees or agents. Contractor may, at any time, be required to execute and complete, for each individual Contractor employee or agent, additional forms which may include non-disclosure agreements to be signed by Contractor's employees or agents acknowledging that all Commonwealth information with which such employees and agents come into

contact while at the Commonwealth site is confidential and proprietary. Any unauthorized release of proprietary information by the Contractor or an employee or agent of Contractor shall constitute a breach of this Contract.

Contractor shall indemnify, defend, and hold DGS, or other Commonwealth Authorized User, their officers, directors, employees and agents harmless from and against any and all fines, penalties (whether criminal or civil), judgments, damages and assessments, including reasonable expenses suffered by, accrued against, or charged to or recoverable from DGS, the Commonwealth Authorized User, their officers, directors, agents or employees, on account of the failure of Contractor to perform its obligations pursuant to this Section.

37. **Warranty (Commercial)**. Contractor agrees that the goods or services furnished under this Agreement shall be covered by the most favorable commercial warranties that the Contractor gives any public entity in the Commonwealth of Virginia for such goods or services, and that the rights and remedies provided therein are in addition to and do not limit those available to the Commonwealth by any other clause of this solicitation.
38. **Work Site Damages**. Any damages to existing utilities, equipment or finished surfaces made by Contractor pursuant to its performance of this Contract shall be repaired to the Commonwealth's reasonable satisfaction at the Contractor's expense.

Exhibit E

Fuel Pricing

1. Fuel pricing shall be comprised of direct fuel costs, transportation costs, and a contractor fee, as follows:
 - (a) Propane direct fuel costs: Direct fuel pricing shall be the average Apex N.C. terminal price per gallon as posted in the Butane-Petroleum News (BPN) Weekly Propane newsletter every Thursday. Apex price per gallon shall be adjusted weekly, based on prices posted in the Thursday BPN Newsletter, to be effective the following Monday at 12:00 a.m. with pricing good through Sunday at 11:59 p.m.
 - (b) Transportation costs: shall be \$0.14 for delivery to any location in the Commonwealth of Virginia where the Contractor has agreed to install and maintain propane infrastructure at no cost to a Public Body. The \$0.14 cents transportation fee will be re-evaluated annually to determine if a change in the fee is necessary. Any change in the fee shall require the approval of the Department and the Contractor, and shall be documented in the form of a modification to the Agreement.
 - (c) Contractor fee: This fee is inclusive of the Contractor's indirect costs and profit. Fee shall be charged on a sliding fee basis as documented in the table below. The sliding fee will be re-evaluated annually to determine if a change in the fee is necessary. Any change in the fee shall require the approval of the Department and the Contractor, and shall be documented in the form of a modification to the Agreement.
 - (1) Total volume usage for all users under this Agreement will be evaluated quarterly and will be used to estimate annual gallons consumed. This evaluation shall be based on trailing 12 month average, with the initial trailing average based on the annualized actual number of months elapsed since execution of the Agreement. The preceding quarter price will be adjusted accordingly based on the following schedule:

Table 1

Contractor Fee	Annual Gallons
.38 Cents	0-499,000
.34 Cents	500,000-749,999
.32 Cents	750,000-999,999
.30 Cents	1,000,000-1,499,999
.28 Cents	1,500,000-1,999,999
.26 Cents	2,000,000-2,499,999
.24 Cents	2,500,000-2,999,999
.22 Cents	3,000,000-3,499,999

.20 Cents	3,500,000-3,999,999
.18 Cents	4,000,000-4,499,000
.16 Cents	4,500,000-4,999,999
.14 Cents	5,000,000-5,499,999
.12 Cents	5,500,000-5,999,999
.10 Cents	6,000,000-7,000,000

An example of the total price per gallon of propane purchased is provided below:

Propane Price per Gallon	
Direct Cost, Apex	\$1.30
Transportation	\$0.14
Contractor Fee	\$0.38
Total	\$1.82

- (d) Contractor shall bill individual Public Bodies on a monthly basis, in arrears, for purchased fuel. The Contractor will send invoices directly to purchasing Public Bodies.
- (e) Department and Contractor shall mutually agree on a fuel purchase charge card that will be used to purchase fuel from the Contractor's infrastructure. The Department and Contractor will agree upon the data elements the Contractor's fuel card and management system will capture and provide to the Commonwealth and in an agreed to file format. At a minimum the data elements will include purchasing agency, purchasing vehicle or card, amount of fuel purchased, cost per gallon of fuel, date, time, and location of fuel dispensed.
- (f) Enclosed with each invoice from Contractor shall be a detailed transaction record that includes:
 - a. Purchasing Vehicle / Card
 - b. Transaction date and time
 - c. Transaction location
 - d. Number of gallons purchased per transaction
 - e. Transaction Cost
- (g) Enclosed with each invoice from Contractor shall be a summary transaction record that includes:
 - a. Contract number
 - b. Total quantity of fuel purchased

- c. Direct cost of fuel
- d. Applicable transportation cost
- e. Applicable contractor fee

- (h) Public bodies shall pay valid and accurate invoices in accordance with the payment terms and conditions found in Exhibit D.
- (i) Data collected in the Contractor's billing system for the purchase of fuel by Public Bodies using the fuel management card will be available to Public Bodies, as requested by Public Bodies, in electronic form from the Contractor.

Exhibit F

Pricing for Vehicle Conversion Services

Contractor agrees to provide aftermarket vehicle conversion services for vehicles purchased by Public Bodies. Conversion kits are available from various manufacturers.

1. Aftermarket conversions will only be done on vehicles in which contractor or manufacturer of record holds EPA certifications. Converted vehicles will meet U.S. Government Standards for sale in the Commonwealth of Virginia. EPA Emissions Certification is available upon request. A listing of EPA certified vehicle conversions will be maintained and updated on Contractors or subcontractor websites:
 - www.allianceautogas.com
 - www.roushcleanteach.com
 - www.cleanfuelusa.com
2. **Warranty:** Vehicle conversions shall not impact applicable manufacturer warranties upon the vehicles. Contractor warrants that all materials and equipment related to a vehicle conversion shall be fully guaranteed against defects in material, workmanship, and operate in accordance with all original equipment manufacturer (OEM) operating standards and performance specifications for a period of three (3) years or 30,000 miles, whichever comes first, following the date the converted vehicle is received by the Public Body from the Contractor after the vehicle conversion is completed. Should any defect be noted by the Public Body, then the Public Body will notify the Contractor of such defect or non-conformance. Such notification will state that the Contractor shall replace or correct the defect or non-conformance issue. The Contractor shall correct or replace equipment, at no cost to the Public Body, which shall be subject to all provisions of this clause to the same extent as the equipment initially delivered. If the Contractor refuses to replace or correct the deficiency, or fails to replace or correct after three tries, then the Public Body may have the equipment corrected or replaced with similar items and charge the Contractor for the costs.
3. **Vehicle Publications:** The Contractor must furnish the following with each conversion (1 copy each per vehicle):
 - New Vehicle Warranty Information Manual
 - New Vehicle Owner's Manual
 - Manufacturer's Statement of Origin (MSO)
 - Delayed Warranty Start Form, and any other such documents as necessary for delivery
4. **Vehicle Delivery Schedule:** The Public Body and Contractor shall discuss and develop a delivery schedule for completion of all conversion services prior to issuance of a purchase order.

5. Pricing includes shipping/transportation, pick-up from the Public Body's site and delivery to the Contractor's conversion site, then transport back to the Public Body site once conversion is complete. Pricing also includes all labor for the conversion, as well as labor, parts, and materials to install and make operational the conversion to comply with all vehicle warranty requirements and specifications.
6. **Bi-fuel Prins Vapor Sequential Injection Conversions:** The bi-fuel Prins vapor sequential injection system is standard priced at \$5,800. To help meet the needs of the Commonwealth, Contractor agrees to provide bi-fuel Prins vapor sequential injection (VSI) systems purchased during the Commonwealth's 2013 fiscal year (beginning July 1, 2012 and ending June 30, 2013) at the rates listed below. This pricing is available for vehicles less than or equal to 9,500 GTW.

SYSTEM	PRICE
Prins VSI (bi-fuel) system for various vehicle platforms as listed at http://www.allianceautogas.com/certifications	\$5,200 (for systems purchased in FY2013)

7. **Roush Clean Tech conversions:**

- (a) Ford E-150/250/350 E-series Passenger & Cargo Vans with gaseous prep package (91G) already installed
 - (1) 2009 & newer model year
 - (2) 5.4L 2V engine
 - (3) Pricing for conversion

SYSTEM	PRICE
<ul style="list-style-type: none"> • E-150/250/350 to 25 usable gallon mid-ship tank or 46 Gallon interior tank <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Ford SRW cutaway with 9600 GVWR 	\$10,950

(4) Comments:

- i. The Ford E-150/250/350 passenger & cargo van will be replaced with the full sized Ford Transit van in the fall of 2013. Contractor will offer a dedicated liquid propane conversion for the full sized Transit van that will be available at Ford's launch of the vehicle. Contractor will

continue to offer the conversion package for the E-150/250/350 after the introduction of the full sized Transit van.

- ii. Pricing for the liquid propane injection system for the full sized Transit van will be available in summer of 2013. At that time the Department and Contractor will negotiate a price for the injection system.

(b) Ford F-250/350 F-series pick-up trucks and chassis cabs with gaseous prep package :

- (1) 2012 & newer model year
- (2) 6.2L V8 engine
- (3) Pricing for conversion

SYSTEM	PRICE
F-250/350 to 23 usable gallon mid-ship tank	\$11,050
F-250/350 to 43 usable gallon in-bed/service body tank	\$10,350

(c) Ford E-450 Dual Rear Wheel Cutaway with gaseous prep package (91G):

- (1) 2009 & newer model year
- (2) 6.8L 2V V10 engine
- (3) Pricing for conversion

SYSTEM	PRICE
• E450 to 41 usable gallon (aft rear axle & below frame rail) OR • Micro Bird Type A school bus	\$14,050

(4) Comments:

- i. System will work with 158", 176" or stretched wheelbase applications
- ii. System will work with dual a/c applications (i.e. shuttle buses)
- iii. System qualifies for FTA funding

(d) Ford 2011 & newer F-450/550 chassis cabs with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.

- (e) Ford 2012 & newer F-650 chassis cab with 6.8L 3V engine: product pricing and available tank configurations will be available in Q1 2013.
- (f) Roush CleanTech Liquid Propane Injection System is Ford Alt Fuel QVM approved. The base Ford vehicle warranty remains in effect and Blossman will provide the RCT warranty on propane fuel system components.
- (g) Ford ship-thru is available on all products

8. Clean Fuel USA conversions:

GM vehicle after-market conversions:

SYSTEM	PRICE
GM 4500 (aftermarket conversion)	\$10,500 – installed in vehicles which already have the requisite hardened valves. Additional \$3,000 for vehicles that require hardening of valves prior to conversion.
Additional vehicle makes and models (e.g. school bus model)	To be agreed upon by Contractor and the Department

9. Initial Conversions for Department

Upon execution of the Comprehensive Agreement, the Contractor shall provide conversion services for two (2) 2012 Ford F-250 (6.2L V8) vehicles provided by the Department. Conversions shall be completed 90 days after the receipt by the Contractor of an order from the Department to proceed with the conversion.

- (a) The Office of Fleet Management Services shall be responsible for the transportation of the two vehicles to the Contractor's conversion site.
- (b) The Contractor shall complete the conversions, transport the vehicles to the Office of Fleet Management in Richmond, Virginia, and provide training on the use of the vehicles.
- (c) Vehicles may be either converted to bi or mono fuel solutions. This will be at the Contractor's discretion.
- (d) Price to the Department for the Contractor to complete conversion for these two Ford F-250 vehicles shall not exceed \$3,000 per vehicle.

Exhibit G

Infrastructure Installation, Maintenance and Operation

This exhibit regards fueling sites, including terms and conditions under which Contractor may install propane infrastructure at sites within the Commonwealth, as may be agreed upon by both the Commonwealth and Contractor. It is expressly understood that Contractor has the right to decline to install propane infrastructure at any site proposed by the Commonwealth if Contractor determines that the potential use of the facility would not be at a level that would make the site profitable to Contractor.

A. Contractor's Sites

Blossman Gas is part of a network referred to as "Alliance AutoGas." Blossman agrees that Public Bodies may fuel at these sites under the terms and conditions of this Agreement with the fueling card issued under this agreement. The following locations are sites within the network which are open to all users:

1. Blossman Propane Gas/Weyers Cave, VA
2. Blossman Propane Gas/Powhatan, VA
3. Blossman Propane Gas/Bedford, VA
4. Blossman Propane Gas, Berryville, VA
5. Blossman Propane Gas, Gordonsville, VA
6. Tidewater Imports/Virginia Beach, VA
7. Phillips Energy/Gloucester, VA

Blossman has additional private fueling sites, which have the potential for public access. Blossman will work with the private entities to make these sites available to Public Bodies. These sites are listed on page 5 of Exhibit C (Contractor's detailed proposal).

B. Infrastructure Installed on Commonwealth Sites

Contractor and the Department are also exploring potential fueling locations on Commonwealth sites. Prior to installing Contractor's infrastructure upon Commonwealth property, the Contractor and Department agree to enter into a lease agreement for use of the property.

Upon final execution of the Comprehensive Agreement, the parties agree to negotiate a lease, through the Department of General Service, Division of Real Estate Services, whereby Contractor will install an initial site at the DGS/Office of Fleet Management Services, located at 2400 W. Leigh Street, Richmond VA 23220. In addition to the terms and conditions below, the Contractor agrees the lease for the initial Fleet Management site will require that:

- All construction costs shall be the responsibility of Contractor.
- Contractor shall pay to DGS, as consideration for the right to use DGS property, an amount equal to three cents (\$0.03) per gallon of propane AutoGas sold to the General Public. This three cent per gallon payment shall not apply to sales to Public Bodies.

- The Department shall provide electrical service to the pumps and Contractor's equipment at the site and shall be responsible for electric utility charges to operate the site.

The following terms and conditions will apply to the installation, maintenance and operation of a fueling site located at any location owned by the Commonwealth:

1. In accordance with Va. Code Sec. 56-575.6, Contractor shall notify each affected local jurisdiction by furnishing a copy of the proposed lease to each affected local jurisdiction. The affected local jurisdiction shall have sixty days to submit to the Department any written comments it may have on the proposed lease, and indicate whether the facility is compatible with the local comprehensive plan, local infrastructure development plans, the capital improvements budget or other government spending plan. Such comments shall be given consideration by the Department prior to entering into a lease.
2. Fuel may be purchased at the site by Public Bodies or the General Public.
3. Contractor will provide training at no cost to Public Bodies on the use of the infrastructure, in accordance with Exhibits B and C to the Comprehensive Agreement (the Contractor's conceptual and detailed proposals).
4. Contractor shall be responsible to ensure the proper level of propane is continuously, without interruption, available to purchasing Public Bodies and the General Public as needed.
5. Contractor shall be responsible for all required propane maintenance and operations costs associated with the site.
6. Contractor shall be responsible for compliance with all laws and regulations applicable to the businesses in which it engages and the impact of those business on employees and the General Public.
7. Contractor shall be responsible for and shall hold the Commonwealth harmless for any and all environmental contamination, or liability arising from Contractor's negligence.
8. Contractor shall be responsible for and shall hold the Commonwealth harmless from and against any liability arising from the design, installation, and maintenance and operation of its facilities and equipment on Commonwealth property, as provided in Section 27 of Schedule D (Indemnification).
9. Contractor shall be responsible for and shall hold the Commonwealth harmless from and against any claims related to the actions of Contractor, its officers, agents, employees and invitees.
10. Upon termination or expiration of the Comprehensive Agreement, Contractor shall remove all of its equipment and leave the property in as good a condition as it was in at the beginning of the lease, excepting reasonable wear resulting from normal operations.
11. Purchases shall be made using the Contractor's automated fueling system. The Department will be responsible to modify its fuel management system to accept a fuel

usage data file from the Contractor's automated fueling system. The Contractor shall not be responsible for any software and/or hardware maintenance, upgrade, fixes, or any other aspects related to the Department's fuel management system.

12. The Contractor shall be responsible for all software and/or hardware costs associated with the operation of its propane infrastructure, and the capturing of propane usage data to be provided to the Department. The Department and Contractor will agree upon the data elements which will be captured by the Contractor's fuel management system and provided to the Commonwealth in an agreed to file format. At a minimum the data elements will include purchasing agency, amount of fuel purchased, cost per unit of fuel, date, time, and location of fuel dispensed.

C. Infrastructure Installed at Other Locations

Public Bodies are encouraged to identify opportunities for Contractor to install additional sites. Where potential sites are identified, Public Bodies may negotiate agreements with the Contractor. In such event, Contractor shall notify the Department immediately in writing in advance of entering into any such negotiations with another Public Body, and shall seek approval of the Department prior to executing any such agreements, which such approval the Department may not unreasonably withhold. Any such agreements shall contain the following terms, at a minimum:

1. The Contractor's detailed proposal (Exhibit C of this Comprehensive Agreement) proposed providing propane fueling infrastructure at Public Body locations when such locations will service 20 or more light – and/or medium-duty vehicles. However, the Contractor will give consideration to implementing fueling infrastructure for Public Bodies with less than 20 vehicles. Public Bodies should contact the Contractor or Department when considering fueling infrastructure needs.
2. Contractor shall notify the Department in advance, in writing, prior to entering into any negotiations with a Public Body. Prior to executing any agreement, Contractor must receive approval of the Department, which approval will not be unreasonably withheld.
3. Contractor must indicate to the Department whether the site will be made available to the Commonwealth and other Public Bodies for refueling purposes. Further, Contractor must indicate whether the site will be accessible by the General Public.
4. If there are any affected local jurisdictions which will not be involved in the negotiations, Contractor shall provide the proposed agreement to those jurisdictions, as required in Va. Code 56-575.6. The affected local jurisdiction shall have sixty days to submit to the Public Body any written comments it may have on the proposed agreement, and indicate whether the facility is compatible with the local comprehensive plan, local infrastructure development plans, the capital improvements budget or other government spending plan. Such comments shall be given consideration by the negotiating Public Body prior to entering into any agreement for construction of the site.
5. The Public Body shall comply with any other procedures or notice requirements it may have regarding agreements of the nature proposed hereunder.

6. The agreement shall have the following terms, at a minimum:
- (a) Contractor will provide training at no cost to Public Bodies on the use of the infrastructure, in accordance with Exhibits B and C to the Comprehensive Agreement (the Contractor's conceptual and detailed proposals).
 - (b) Contractor shall be responsible to ensure the proper level of propane is continuously, without interruption, available to purchasing Public Bodies and the General Public as needed.
 - (c) Contractor shall be responsible for all required maintenance and operations costs associated with the site.
 - (d) Contractor shall be responsible for compliance with all laws and regulations applicable to the businesses in which it engages and the impact of those business on employees and the General Public.
 - (e) Contractor shall be responsible for and shall hold the Public Body harmless for any and all environmental contamination, or liability arising from Contractor's negligence.
 - (f) Contractor shall be responsible for and shall hold the Public Body harmless from and against any liability arising from the design, installation, and maintenance and operation of its facilities and equipment on any of the Public Body's property.
 - (g) Contractor shall be responsible for and shall hold the Public Body harmless from and against any claims related to the actions of Contractor, its officers, agents, employees and invitees.
 - (h) Purchases shall be made using the Contractor's automated fueling system. Contractor will provide the Department with fuel usage data. The Contractor shall not be responsible for any software and/or hardware maintenance, upgrade, fixes, or any other aspects related to the Public Body's or Commonwealth's fuel management system.
 - (i) The Contractor shall be responsible for all software and/or hardware costs associated with the operation of its propane infrastructure, and the capturing of propane usage data to be provided to the Department. . The Department and Contractor will agree upon the data elements which will be captured by the Contractor's fuel management system and provided to the Commonwealth in an agreed to file format. At a minimum the data elements will include purchasing agency, amount of fuel purchased, cost per unit of fuel, date, time, and location of fuel dispensed.